WALCHAND HIRACHAND

WALCHAND HIRACHAND

MAN, HIS TIMES AND ACHIEVEMENTS

By

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Preface by

M. A. Master

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CONTENTS

EARLY PERIOD
1882-1918
MIDDLE PERIOD
1919-1939
LAST PERIOD
1940-1953

CONTENTS

PREFACE

"Whilst the Governments of almost all maritime countries have helped and are helping their nationals to build up their own Mercantile Marine, are not Indians entitled to expect their Government to help them in this great industry? India has recently been given a Navy of her own May I, however, ask if this is not placing the cart before the horse? Is there any country in the world which has built up its Navy without building up its own Mercantile Marine which always serves as an important line of defence? The Merchant Fleet and the Naval Fleet are sisters and always exist side by side One cannot do without the other

—*Hon'ble Sriyut V. J Patel on the occasion of the launching of Scindia's ship s s "JALABALA" on July* 14, 1927

It is a matter of both pleasure and privilege to me that I should have been honoured by the WALCHAND HOUSE by inviting me to write the Preface to the English version of the biography of such an illustrious man of India as Shri Walchand Hirachand, originally written in Marathi language by Shri G. D. Khanolkar and released for publication in 1965 While the author has very rightly and wisely allotted the largest space possible to the chronicling of the important events in the Shipping Industry, wherein the hero of his biography, viz, Shri Walchand played the most dominant role, he has also, it will be gratifying to note, done equal justice in regard to similar events in connection with the other industries which Shri Walchand started, viz., the Ship-building Industry, the Sugar Industry, the Automobile Industry and the Construction Industry. It is also satisfactory to find that the warps and wefts of the threads of various events connected with these industries are woven together by the author with such skill as would make the picture shine in all its hues and colours maintaining the sense of proportion and remaining all along attractive, and continue to appeal to one's artistic taste It is not a small tribute to the skill, the insight and the ability with which the writer has written his biography and the very style in

which it has been translated that it sustains the interest of the reader, as he continues to turn page after page and is always eager to know what comes next before he will lay the book again on his shelf. The manner in which these industries have been built up by Shri Walchand, as the most aggressive pioneer of the industrial revolution of the twentieth century, the struggles which he faced successfully, the difficulties which he had to surmount in building up the industries one after the other, and the extent to which he succeeded in increasing the productivity of the products of these industries containing 90 to 95 per cent of indigenous elements and parts will make an ever-lasting and unforgettable impression on the mind of the readers of this epoch-making biography I am merely doing my duty particularly because, whatever little that may have fallen to my lot to do for shipping is mainly due to the assistance and encouragement received both from Shri Narottam Morarjee, the first Chairman and Shri Walchand Hirachand, the second Chairman of the Scindia Company

As a matter of fact, Walchandnagar, where he started the Sugar Industry and Kurla where he built up the Automobile Industry, have already become centres of pilgrimage for many a foreign student and visitor coming to this country to see what Indian talent, coupled with Indian know-how and Indian ability can achieve in the field of industrialisation. One can say with confidence that after going through the biography and after visiting the above Centres, all will agree with the tribute which the late Sardar Vallabhbhai Patel paid to Shri Walchand, when he said that the triumph of Shri Walchand's life lay in persistence over adversity, faith over skepticism and hope over despair, and will encourage all training institutions to keep this biography on the study-table of each student of the institute which may be imparting training to them—both academic and technical—for the purpose of preparing themselves in continuing to run successfully not only the industries which Shri Walchand started, but also other industries that may be profitably started for enabling India on her onward march for a developing country to a fully developed country and thus become a real Welfare State

The release of the biography of Shri Walchand Hirachand in 1965 was a great event of historical importance Our country is deficient in biographical literature. We suffer, therefore, in two important respects. First of all, we do not get a correct and connected account of the great events that happened in our country and secondly, we know very little of the pioneer work and the great

"The two things that are essentially necessary for the organisation and development of the Mercantile Marine of India are the ability of the country to man the ships—the officers and men—from their own Nation and their freedom to do as they like in their own waters India is handicapped in both these matters."

—Pandit Motilal Nehru on the occasion of launching the s. s. "JALADUTA" at Glasgow on November 26, 1927

services which our own people rendered to the cause of social, political and industrial development of India Both these deficiencies have been effectively filled in by the biography written in such a masterly way by Shri Khanolkar This publication is an English version of the biography originally written in the Marathi language. It will meet the need of a large section of the Indian public for obtaining a correct and connected account of the manner in which our own people laid the foundations of such important industries like Shipping, Ship-building, Air-Services, Aircrafts, Sugar and Automobile industries

The second World War had come to an end It had developed several industries in several countries That fired the imagination of a number of people for laying the foundations of new industries in their own countries Those who will carefully read this biography will easily realise that Shri Walchand Hirachand was the pioneer of the Indian Industrial Revolution and was responsible for laying deep foundations of several key industries

The success of a biography lies in the ability with which it is written, and the manner in which it creates the image of the person whose biography is written, and brings before our mind, as we read, his image and his personality taking part in the various events which are recorded in the biography We see him before our minds' eye while going through the events which we read in cold print We see Shri Walchand taking active part in the events that are recorded The creation of such an image before our mind's eye, as we read the book, shows that the writer has succeeded remarkably well in portraying the picture of the time for which he has written

We see Shri Walchand participating in the negotiations with Lord Inchcape, we see Shri Walchand trying his best to protect the other Indian shipping companies from being wiped out of the coast

and also we see how Shri Walchand built up shipping owned, controlled and managed by the nationals of the country. I offer, therefore, my sincere congratulations to Shri Khanolkar on his giving us a biography, which not only chronicles the events of Shri Walchand's life, but also brings before our mind's eye the manner in which he took part in those events and the efforts which he put forth to build those industries against heavy odds at considerable sacrifices

And as I am not a student of the Marathi language, I do not want to express any opinion as to how far the English version of the biography written in Marathi has brought out successfully the meaning and the real spirit of what that version had said originally and wanted to convey to the readers I must, however, take this opportunity to convey my very best thanks to Shri Khanolkar for the pleasure he gave me and the honour which he did to me by coming to my residence and reading each chapter as he had written in Marathi language, of his very epoch-making biography. The main purpose of his coming was to get as much information as possible from me about the work which Shri Walchand did to build up the Scindia and expand its activities I placed my services at the disposal of Shri Khanolkar without any reserve and gave him such information as I possessed and also pointed out to him where he would obtain all authentic facts about what Shri Walchand did for the Scindia, the Ship-building Industry and the Automobile Industry And I may add that Shri Khanolkar, as a very conscientious author, did not take everything I said as correct, but made his own independent enquiries to satisfy himself that the facts were correct, and he was good enough to admit the same in his subsequent interviews with me

Shri Walchand Hirachand was a man of rare vision which could lift the veil of the future without a change of focus and visualise the problems of the industry in future and as a result thereof assist the formation and cultivation of public opinion in the country as would show that these different aspects were correctly understood by them and to lay down such steps as would create an atmosphere all-round for their rightful solution and thus build up a Merchant Navy adequate and balanced for strengthening national economy and deepening the foundations of national security

It is said that life is a matter of opportunities This means that what you do in life or what you achieve in life is not due to yourself only, but is the result of action of circumstances such as birth

"The cottage industry of India had to perish in order that Lancashire might flourish. Indian shipping had to perish so that British shipping might flourish In a word, we were suppressed in order to enable the British to live on the heights of Simla."

—*Mahatma Gandhi in "Young India" of March 26, 1931, under the caption "The Giant and the Dwarf"*

in, or belonging to, a certain particular family; or related to someone on the mother's or father's side or on the father-in-law's side. That would mean not achieving the glory by yourself, but by shining by the reflected glory of others. That was not the case with Shri Walchand who rose in life by himself by his own personality, his social accomplishments and also by so many other qualities as are necessary for doing his work in life He was one of those the poet has characterised as "*Uttamah Atmana Khyatah*", i.e : rose in life to secure certain achievements to his credit by himself When opportunities make men—'it is a stroke of good fortune', but when men make opportunities, they would call it 'creative genius' Shri Walchand was a creative genius

Let us refer to an opportunity which he created, whereby he achieved the distinction No 1 by manufacture of fighters and bombers Just when the second World War started, Shri Walchand was returning from America to India *via* Manila and Japan He met some Americans in the plane, who told him that if he were to build fighters and bombers, they would help him in some way. From this ordinary conversation he at once visualised the possibility of building fighters and bombers and sent a cable to the Commander-in-Chief of India offering his services to build up fighters and bombers and sent a copy of the cable to me for my information. When he returned to Bombay from Japan, he asked me: "Master, what about the cable to the Commander-in-Chief ?" I told him: "Walchandbhai, it found its safe place" Thereupon he asked whether the place was waste paper basket I replied "Yes; but not the waste paper basket of bamboo and grass type which we have got here, but the waste paper basket of the American type, made of steel, so that unless someone made an effort the paper will not be lost or will not come out of it"

Soon after Dunkirk fell, a conference was called at Simla for

considering the question of requisitioning the Indian ships. Shri Walchand wired to me at Rangoon that if necessary I should charter a plane but reach Simla in time to attend the conference. I did so and reached Simla in time Within a few days thereafter the Executive Council of the Government of India took the decision that fighters and bombers might be built in India and the work of doing so may be entrusted to Shri Walchand When Shri Walchand and I were returning from Simla, Sir Hugh Dow, Secretary to the Government of India, Department of Commerce, asked Shri Walchand · "What about your fighters and bombers?" Shri Walchand mimicked · "My fighters and bombers?" and asked whether he was serious in the matter Sir Dow replied: "Yes". After that we returned to Bombay and went back to Simla within five days when the work of finalising the contract was left by the Government to Sir Evan Jenkins and to me by Shri Walchand When I met Sir Jenkins for this purpose I had to answer questions put up by 16 Europeans who were in Indian Civil Service and ultimately the contract was given to Shri Walchand. When I returned to Bombay with the papers and when Shri Walchand thanked me for my eloquence, I told him "I was not so simple as to believe all that" and added that "it was not my eloquence, but it was the confidence which you inspired in the Government that you were a man who would carry out your promises and would deliver in time the goods which you would undertake to deliver, that decided the contract in your favour" Soon thereafter, the factory was put up at Bangalore and Shri Walchand requested his brother Shri Lalchand Hirachand to carry on the work Shri Lalchand put all his soul into the business and it was in the Budget Speech of 1942-43 that the Finance Member, Sir Jeremy Raisman announced that India would have the honour that year to produce a fighter and a bomber But this pleasant news was too good for the British diplomacy to swallow and it took steps to nullify the arrangement by deciding that the aircraft factory should be reserved for repairing Super Fortresses which come from America and thus India was deprived of the opportunity of going ahead with the building of fighters and bombers by Indians under Shri Walchand's guidance This, however, shows that Shri Walchand was a man of rare vision and how he could create opportunities for developing industries and put them on sound and solid foundations as required in modern times

Shri Walchand also believed in the old adage that "United we

"We have been in the past a great maritime nation, and even today we have the talent, the trained men and the resources to build up great shipping services. The Scindia Company has been a pioneer in this field and, in spite of opposition and obstructon, has made good It has deserved its success. But this is only the beginning I am impatient to see Indian ships carrying the flag of India across distant seas to far away countries."

—Pandit Jawaharlal Nehru

stand and divided we fall". He therefore took precautions from the very start to see that small Indian shipping companies were not wiped out of existence by the British interests but he would stand by them and march onwards shoulder to shoulder for the establishment of Indian Navy of supply This is confirmed by what happened in connection with Bengal-Burma Steam Navigation Co Ltd. This Company was running passenger ships between Chittagong and Burma and the passenger fare which was Rs. 14 was brought down to Rs 4 When Shri Walchand and I were in Calcutta, Shri Abdul Baree Choudhary, Chairman of Bengal-Burma Steam Navigation Co, Ltd, came one night at about 11 o'clock at the Grand Hotel and enquired of me whether he could see Shri Walchand I told him that Shri Walchand would be in after an hour or so Shri Baree then told me that the Bengal-Burma was badly in need of financial assistance and added that unless a sum of Rs 5,00,000 was given to the Company as financial assistance the Company would pass into the hands of Lord Inchcape next morning Shri Walchand returned about midnight and Shri Baree repeated his tale of woes to Shri Walchand Then Shri Walchand asked me what would I like him to do I said it would be difficult to reply the question unless more information in regard to this proposal was available, but added that so far as he was concerned he should not allow any Indian company to go out of existence for the sake of financial help but give the help to that Company if possible and thus maintain the solidarity and unity of the Indian shipping companies He did so, and Bengal-Burma did not go into the hands of the B I, but continued to run passenger line for years thereafter and Scindia then became the Managing Agents of that Company. Thus Indian shipping continued to progress, and Shri Walchand became verily the founder and father of the Indian shipping.

Take another instance When a ship of the Indian Co-operative Steam Navigation Company, what was known as "Mazi Agboat", shareholders of which were the passengers travelling on the Konkan coast, was arrested by the Bombay Port Trust for not paying the Dock dues, its Chairman, Shri Tulzapurkar wanted a sum of Rs 5,000 as financial help immediately to get the ship released. Shri Walchand agreed to pay that amount with the result that the Company survived and continued to run the passenger ferry service as usual for several years to come, till it was compelled to close its services as a result of further freight war. But the point which I would like to stress is that Shri Walchand, with his rare vision and with faith and full confidence in his mission, created opportunities which enabled him to build up the navy of supply which is adequate and balanced, so that not only such a navy can assist India in strengthening its economy but also in strengthening and expanding its overseas trades. That was the creative genius of Shri Walchand and as a result of the assistance which he gave to many other shipping lines, they continued to exist for years to come In this connection it was remarkable that when the B I wanted to drive out these comparable smaller shipping companies out of the coastal trades by freight wars, Shri Walchand not only declined to be a party to it, but actually persuaded the Director of the B I in London to refer the dispute between the smaller and bigger companies in regard to the allotment of trade to the arbitration of Sir Joseph Bhore, the then Commerce Member of the Government of India It is difficult even for the admirers of Shri Walchand to understand how it was possible for Shri Walchand to persuade the hard-headed Scotchmen with all the power of British Government behind them and with all the political pressure and influence by which they could make the British Government to exercise over the Indian Government, to refer this matter of the division of trade and settlement of dispute between the British and the Indian lines to the arbitration of an Indian Member of the Executive Council of the Government of India There lay the creative genius and persuading powers of Shri Walchand and also the full fruition of his creative genius. When the matter came up for arbitration, Sir Joseph Bhore decided to give 85 per cent of the trade between Kandla and Tuticorin to the small Indian shipping companies and reserve 15 per cent for the three bigger companies, two British shipping companies, viz., the B. I. and the Asiatic and one Indian shipping company, viz., the Scindia. This is how he created opportunities for himself to keep the smaller

"I bless the Scindia Company and hope that the flag of India will fly all over the world and that the Scindia's prestige and reputation will increase in the days to come."

—*Sardar Vallabhbhai Patel on the occasion of his opening the Scindia House on December* **23, 1938**

Indian shipping alive upholding their flags in Indian waters The only parallel in the history of shipping to this magnificent achievement of Shri Walchand is the stand which the great Japanese line, Nippon Yusen Kaisha took against the demand of the P. & O. interest, which joined that Company in the same freight war against several other shipping companies smaller in size and disclosed in the 38th report of the Imperial Shipping Committee published in 1930 At a time when the Government of India is blaming industrialists for the concentration of economic power and wealth they forget that there were men like Shri Walchand among the industrialists of India who out of patriotism were prepared to give up economic power and discard the possibility of amassing wealth for the benefit of the country and their brothers. Thus the decision of Shri Walchand to accept the Award given by Sir Joseph Bhore was one of the most glorious achievements of his life although it cost the Scindia Company the loss of freight of about 3 to 4 lakhs of rupees per year But even with this loss he preserved the unity of Indian shipping and gave it further momentum to march onwards and reach the target of tonnage and establish his services on all possible routes as desired by the Government and as demanded by the country Thus, whenever opportunities for strengthening the cause of Indian shipping appeared he did not miss it, but grappled it with enthusiasm of a young man of 20 and dedicated his life for the fulfilment of achieving the objects.

There is one particular incidence to indicate that Shri Walchand's running the Scindia Company has no parallel to be found in the history of any other industry that has been built in India It was after Shri Walchand and Shri Narottam Morarjee visited Rangoon in 1922 that several shipping lines between Burmese ports and Indian ports were organised by the Scindia. When Lord Inchcape found that Shri Walchand and Master were diverting the normal

channels of trade and taking big steamers to some of the ports of West Coast, where they had never been before, he felt that it was better to make arrangement with Scindia and work in peace. It was done, but had it not been for Shri Walchand's unshakable determination and unchangeable conclusions it would have been difficult to do so, otherwise Lord Inchcape's tempting offers would have perhaps been accepted by those who ran the Scindia Company at that time. Shri Walchand and his friends were holding four lakhs of Scindia shares at that time, face value of each share was Rs. 75 ; and Rs 30 were paid up When Lord Inchcape made his offer to purchase the share of the Scindia Company in exchange of one share of Scindia for one 6½ per cent Second Cumulative Preference Share of the B I, etc, the position was that the face value of the Scindia share was Rs 75 The amount paid up as Rs 30 and the contributory liability was Rs 45 The market value of the share was Rs 6 Those who might have accepted the offer would have been benefited in the folowing way When they would have parted with one share of Scindia the market value of which was Rs 6, they would have got rid of their contributory liability of Rs 45 per share and they would have got Rs 12½ in cash and one Second Cumulative Preference Share of the paid up value of Rs 12½. Thus the gain would have been Rs 45 plus Rs 12½ cash plus Rs 12½ as value of the Second Cumulative Preference Share Further, Lord Inchcape was to give Rs 25 lakhs to the Agents for their loss of the Managing Agency remuneration and Shri Walchand would have got Rs 6¼ lakhs of rupees as his one-fourth of the share in the Agency Agreement Thus the actual gain would have been Rs 1,87,45,000 The point to be noted here is that by the exchange of these four lakhs of shares Shri Walchand would have saved a sum of Rs 1,80,00,000 as his contributory liabilities of his shares and in addition he would have got Rs 6,25,000 as his share of Managing Agency remuneration and Rs 1,20,000 as Director's fees at the rate of Rs 1,000 per month for ten years , and the total gain therefore would have been Rs 1,87,45,000 This would have been a God-send It requires not a small sacrifice on one's part to forego these temptations of increasing the capital value This is the greatest achievement of Shri Walchand so far as the establishment of Indian shipping is concerned Such a sacrifice, it would be difficult to find in the history of industrial development of India during the last two centuries

One inevitably comes to the conclusion that this is the greatest

"Shipping owned and run by the nationals of the country has been recognised as the greatest key industry of every maritime country Its great importance as an instrument of national economic policy and its effective utility as a second line of defence can never be disputed I have, therefore, always welcomed shipping enterprise run by my own countrymen and have taken a keen interest in its progress and prosperity I, therefore, warmly commend my countrymen to help this national enterprise and appeal to my co-religionists to extend to it their continuous patronage, so that India's first endeavour to participate in its overseas trade may become a real success."

—*His Highness Aga Khan, January* 25, 1939

service of Shri Walchand to Indian shipping in reviving its ancient glories and putting the Indian Merchant Navy on the maritime map of the world This means, not succumbing to the temptations contained in the offer of Lord Inchcape but rejecting it and thus keeping the Company, i e, Indian shipping alive This view of Shri Walchand received the greatest possible support from the Imperial Shipping Committee when they had recommended in their conclusions to the effect that they are anxious to bring about a sense and practice of partnership between the owners of shipping companies in the United Kingdom and the producers of cotton and wool in India and Australia In this representation to the Government of India, dated 30th June, 1939, Shri Walchand added that "they have failed to realise that such partnership and identity of interest is not possible unless these two different countries of the British Commonwealth have got their fair and proper share of these trades as equal maritime units of the British Empire". The fact that after paying tribute to the vigorous management of the Scindia Company under Shri Walchand, Imperial Shipping Committee has added that the aspirations of India to enter into the field of shipping operations are natural and made the recommendations that they should be fairly met in a co-operative spirit by the United Kingdom Lines It is a feather in the cap of Shri Walchand and shows how foreigners looked upon Shri Walchand and his efforts to build up a navy of supply for India which has almost now reached the mark of two million GRT. It is therefore a matter of just pride for Shri Walchand and his friends that the ideal of India reaching two million tonnes of shipping would be achieved before the end of this

20th century and that was entirely due to the patriotic spirit, the readiness for undergoing self-sacrifice and the great spirit of adventure shown by Shri Walchand and supported by a number of his officers, prominent among whom were Sarvashri M A. Master, G. L. Mehta, J V. Baxi, C. A Buch, M J Buch, Sarabhai N Haji, D. F. Erulkar and S. J. Pandya

The one special feature and that too very commendable one regarding the management of Shri Walchand of Scindia Company was that he took great care in the selection of his officers and he selected them after enquiries all round and once they were selected and put in charge of office, he put full confidence in them and gave them all facilities and opportunities for giving effective expression to their power of initiative and organisation to create, to formulate and to consolidate public opinion for the development of shipping and allied industries in all directions As a matter of fact, when he found that it was very difficult for marine engineers to get their higher certificate of competency in the absence of opportunities in the country to study how a ship was built and how an engine or boiler was constructed, he sent several of them to foreign countries, at the expense of the Scindia Company after discussion with me and other officers of the Company, where the ships for the Scindia Company and the engines and boilers for those ships were being built at the expense of the Company, with the result that not only did those engineers get their highest certificate of competency, but became qualified to handle all types of ships, coal fired or diesel fired, and the consequence of those timely training has resulted in the most satisfactory fact that today all the Deck and engine officers and wireless operators on the Scindia steamers are Indians Every Indian will be gratified to see this result and will say "Well Done! Walchand" I may further add that it was also very fortunate for his officers that they were treated by him as his colleagues on equal terms and on human plane—that is how it was possible for us to persuade him to spend money of the Scindia Company for imparting training to all the officers on the ships of the Company And the sum thus spent was not a very small sum, it amounted to nearly four to five lakhs of rupees Shri Walchand considered this as well spent for building up a very capable sea personnel both for the navy of supply as well as for navy of defence

As regards his treatment of his officers and his colleagues on equal terms and on human plane, I may site the instance of the Haj Line When Scindia Company was spending from its own

"Why does India need a separate National Merchant Marine? Is India a separate country? Is not India a part of the British Empire? Are we not brothers? Our Navy, they say, will protect your ports and harbours Have we not served you in the past? Are we not prepared to serve you in the future? Brothers of the Empire! Why do you then worry yourselves with the troubles of a separate Merchant Marine? What altruistic motives and what a brotherly love!
To such questions raised by some witnesses, a very simple answer can be given exactly in the same kind of interrogations as follows · India has awakened to a sense of her own national consciousness and fully realised the necessity of future independent progress Under the circumstances, why does India need a separate merchant marine? India wants her own separate Merchant Marine to increase her national wealth by preventing the annual drainage of crores of rupees taken away by foreign shipping companies India wants a separate Merchant Marine for the proper growth of her own trade and commerce and real protection and development of her own industries India wants a separate Merchant Marine for the economic development of her neglected ports, for reviving an old avenue of career on sea and shore Had India such a National Marine at the time of the great war, what a tower of strength it would have been to the Empire and like the splendid services of the Indian army, how invaluable would have been the services to England in its hour of great trial?"

—Extract from the speech of the Chairman Shri Narottam Morarjee, delivered at the 5th Ordinary General Meeting of the Company held on the October 24, 1924

pocket about Rs 57 for the pleasure of carrying a pilgrim from India to Hedjaz and back to India, some of the Directors and the Agents advised Shri Walchand to close the Haj Line. One afternoon he asked me about my views about it. I told him that I was not of that opinion Immediately he said, "let us refer the matter to the arbitration of Sardar Vallabhbhai Patel" I replied then that there was no occasion for an arbitration; if he were to ask to close the Line, I shall carry out the instructions of the Chairman immediately. He however observed, in view of the serious differences of opinion held on each side, it was advisable in the interest of all concerned to refer the matter to the arbitration of a person in whom we have complete confidence and who commanded their respect and the

matter was then put before Sardar Vallabhbhai Patel. The next day Sardar Vallabhbhai Patel, Shri Walchand and I went out for a motor drive from Marine Drive to Ghodbunder and back. Shri Walchand explained his views as to why the Line should be closed and I put forth my views as to why, in the larger interest of shipping and Scindia, it should be continued He reserved the judgment till next morning But ultimately he advised Shri Walchand that the Haj Line should continue and Shri Walchand continued the Haj Line But the two arguments which I placed before him were:

1. I told Shri Walchand that it was your policy not to withdraw the flag from the Haj Line which you have established As soon as you would close that line the Indian flag from that route will disappear, and
2. It was politically unwise because not only had we very large number of shippers of Mohammedan community, but all the pilgrims were also Mohammedans, and consequently you will be charged that despite the fact that several shareholders were Mohammedans and several of your shippers were also Mohammedans you did not look to their interest and closed the Haj Lines

This instance would show in a clear manner as to what a great Chairman he was, who would be willing to consider from all points the views expressed by his officers who would be given all the opportunities by the Chairman to allow them to say freely and frankly what they may have to say on any important issue without any reserve to him It is not easy to find such a Chairman or a man at the top in the industry in the country so that the officers can feel that they will be allowed to walk shoulder to shoulder keeping pace with their Agents and Chairman There lies the greatness of Shri Walchand And we have no doubt that officers in other industries will be treated as colleagues and equals on human plane by the Chairman of their organisations

It was the practice also of Shri Walchand to discuss all policy matters with his managers and colleagues and to make such changes in his policies as he may consider beneficial, after giving them full and patient hearing One of such subjects was the continuance of Haj Line already referred to in the above paragraph As long as he was at the helm of affairs he and I formed the policy together and even after I retired in 1949 and when I was asked to re-join in 1950 as a partner in the Agency firm and when I was not able

to do so as I would not have enjoyed the same freedom as before to frame the policy of the Company, the then Chairman Shri Dharamsey M Khatau wrote in his letter to Sardar Vallabhbhai Patel, dated 17th November 1949 · "It was vital and fundamental to the scheme submitted that he should have the fullest benefit of the services of Shri Master who has played a prominent part in building up the Scindia Company during the last thirty years. He has taken the lead in setting all the questions of policy and in all matters where we had to deal with the Government, the Conferences or the public. It is, therefore, essential that he should be allowed, if the Company is to receive the maximum benefit of his services, to play the same role unfettered in future as in the past. This is the background in which the details of the arrangements will have to be considered and laid down"

Whatever people in certain quarters might say about the definition given by Shri Walchand that Indian shipping is only that shipping which was owned, controlled, managed and manned by the nationals of the country, it is very gratifying to note that he was only anticipating the conclusions of the Imperial Shipping Committee taken more than 30 years thereafter In its 38th Report on the British shipping in the Orient presented in 1939, it has stated that "we have taken the expression British shipping to include shipping registered at any port in the British Commonwealth including the Indian Empire and wherever the term British Commonwealth is used it is to be understood that the Indian Empire is included." Thus Shri Walchand always maintained that the Indian shipping was different from British shipping and Indian shipping must grow in its own right and maintain its distinct entity and therefore it is obvious that when we find that under Shri Walchand's management, Scindia's tonnage rose from 5,000 GRT in 1919 to 3,56,798 GRT by 1967 when the entire Indian tonnage stood at a little more than 15 lakhs of GRT In the representation which the Indian National Steamship Owners' Association made to the Government of India, dated 30th June, 1939, under the Chairmanship of Shri Walchand, it stated that "the expression British shipping will have no meaning for Indian shipping unless Indian shipping has got its right and proper place in India's maritime trade and unless it is allowed to attain that place no genuine Indian interest in the mercantile marine of the Commonwealth as desired by the Imperial Shipping Committee, will ever be evinced by India." Shri Walchand held very strong views as the basic principles of running and building up a

shipping line of India. As regards ownership, the first step was taken when capital to the tune of Rs 1 50 crores was issued and allotted to the nationals of India. As a matter of fact, owing to the strong credit and popularity of Narottam's House and owing to the confidence which Shri Walchand inspired in the people about the ability to run an organisation of the complex type like shipping, the capital in the first instance was over-subscribed and the paid up capital stood at a little over Rs 1 87 crores.

As regards control, even in the first step that he took about the appointment of a Manager at Bombay, he included, as mentioned above, a clause to the effect that the Manager cannot introduce any new principles in the management without consulting and obtaining the consent of the Manager of the Company, who would always be a national of India As regards the topmost man or men in management, he made his ideas very clear in the letter dated 9th September, 1919 which he wrote from London to Messrs Narottam Morarjee & Co, who were the agents of the Scindia Amongst other things, he wrote as follows

"The present idea is to employ two or possibly three men who will be all asked to be prepared to work as assistants or deputy managers only I am giving separately my reasons for getting two or three men, as also why they should be only assistant managers

"The General Manager should be really an organiser and administrator in a new shipping company, capable of studying established trades and picking them up or adopting other lines to those, one who will be able to discuss combination or co-operation agreements with other companies He is a man not to be had in reply to advertisements or at one's convenience I am giving free hints that I am prepared to pay £ 5,000 for a top man, a man who possibly is at present running any of the big Lines, namely, White Star, Cunard, Brocklebank, etc. Pending that man's coming and selection, which might take a long time, it is imperative that there should be someone in the Bombay office to understand correspondence and technicalities about shipping This, the men we are now selecting ought to do There should always be one man in Bombay and one man will be always outside Bombay either organising an office in Calcutta or Karachi, or going over to foreign countries, say America or U K for discussing combination schemes. Possibly, we shall have to send a man to study in detail the Persian Gulf or the coasting trade which might necessitate his absence six months from headquarters Then we have to train our staff in all

shipping technicalities which will entail much work for the one Bombay man. Owing to our ignorance of shipping business I don't want to take any chances in case the one man gets sick or has accidentally to go away, or is not suitable owing to insobriety or other faults We cannot afford to run any risks or take chances. The stake at issue is great, hence the necessity of providing for two or possibly three men to be on the safe side. I know that without ships there is not much to be done at present, but the preliminary investigation work of suitable trades or trade routes which should have been done before the project was at all started, will have to be done now, and if you have spare staff we can do it. Need I tell you that Tatas spent about 15 lakhs of rupees on preliminary investigations before iron or steel works could be started and about 10 lakhs of rupees before Koyna could be started. We made a mistake in starting without experience and knowing the trade and we ought not to continue in this way any longer In a concern like ours with a capital of 4½ crores the salaries of two or three men at £2,000 or £3,000 should not be considered big The shipping trade is not an ordinary carriers trade, but it is a highly specialised and peculiarly technical trade Matters are more difficult in the shipping trade especially owing to the keen competition and hence we ought to have men ready for all emergencies We must also have variety of talent and hence my conviction that it is necessary to employ three men As compared to English companies our men are naturally asking for immensely enhanced salaries and I think they are right. It is quite different when the Board or Managing Director knows everything about shipping from A to Z, as is the case with every well established old shipping company in the whole of the U K, they don't much depend upon their salaried managers Our case is quite different. We must solely depend on this man, hence we should find the best man and pay him a decent salary. As soon as I select the man I will let you hear. I might add that if a really good top man is available we might have to go above £5,000 and if we want to make it a success we should not grudge it "

The above lines written by him from London so clearly show what a broad, comprehensive and vital position, according to him, the Scindia Company was expected to attain as a result of the industrial revolution.

Shri Walchand had his own ideas about the management of the company From the very beginning he had an idea that the

company will have to be expanded in various directions At the very first start, he had the idea in his mind that shipping and shipbuilding should go together This is all apparent from the extract of his letter quoted above, despite the realisation of his own limitation, that as regards managing a shipping concern, the person appointed should be able to deal with a growing company not only dealing with shipping but also with shipbuilding and other important matters That was why he wanted to have different talents in the management of the company He invited Mr. Knusden from Europe for assisting the company to build ships in India That gentleman, however, unfortunately died of Tomine poisoning and consequently, the starting of the shipbuilding was delayed till 1940

He appointed Mr Tyrrell as the Deputy Manager to start with. Mr. Tyrrell had experience of shipping exceeding 25 years He was first sent to Rangoon after his arrival in Bombay and I was asked to proceed to Calcutta and to Rangoon to investigate the possibilities of building up a regular line from the Burmese ports to Indian ports and vice versa This matter is already referred to in the above paragraphs

Thus, his three principles, viz ownership, control and management of shipping organization should be in the hands of nationals of the country only, were being implemented from the very start Then there was the question of manning of ships It was difficult in 1919 to find an Indian knowing the technical sides of navigation and construction of ships etc, who could be chosen either as a Marine Superintendent or as a Superintending Engineer Fortunately, he discovered that a Parsee boy trained at Conway in the technique of navigation as the first Indian was available He straightaway appointed him, that is Capt Ookerjee, who had the actual experience of running shipping as the Marine Superintendent of the Scindia Company and also appointed Mr Aspar as the Superintending Engineer This shows that Shri Walchand was a man of great conviction and that he stood by his convictions in the running and the building up of the shipping industry, which was being developed in India for the first time in modern lines

Shri Walchand never lost any opportunities to cultivate public opinion both inside and outside the legislature for the cause of shipping As a matter of fact he began this work by giving evidence before the Fiscal Commission in 1920-21 and thereafter encouraging his officers to study the literature in connection with the

methods adopted by other countries in the world to help their own national shipping and publishing the result of their studies in a pamphlet form. Shri Walchand himself gave a lead by publishing a pamphlet, called, "Why Indian Shipping does not grow." He also put forth his best efforts for getting the Mercantile Marine Committee appointed by the Government of India and with the help of the Members of the Legislature particularly of Sir P.T. Sivaswamy Iyer, got the recommendations of that Committee implemented by the Government of India and the first step which he took in that connection was to see that the training ship Dufferin was established in Bombay harbour, imparting training to Indians both as Navigators and later on as Marine Engineers. But Shri Walchand's steps which drew the widest possible attention of the public was the encouragement and assistance which he gave to Shri Hajee to stand for the election to the then Central Legislature and to enable him to introduce in it the bill called the Coastal Reservation Bill The principle of that bill was carried in 1928 by an unusual and large majority of 25 Shri Walchand thus imparted a new consciousness about the necessity for developing Indian shipping and awakened a new spirit of "let me do all that I can for the shipping of my country" in the hearts of his countrymen both inside and outside the legislature The creation and formation of public opinion on shipping problems both inside and outside legislature, helping and encouraging Federations and Chambers of Commerce to plead the cause of shipping by representations as well as by resolutions at the Annual General Meetings and fostering and encouraging the study of what other countries did to develop their national Merchant Marine among the officers of the Company and publishing the result of their studies in suitable pamphlets for wider publicity etc, formed the principal aspects of the shipping policy of Shri Walchand One would devoutly wish that the abovementioned principal aspects of Shri Walchand's shipping policy may attain the most dominant position in the shipping policy which governed Scindia Company and will also be implemented fully in a vigorous form by the present management of the Scindia Company in carrying out its activities in different directions.

Shri Walchand was also ready to answer his critics in a very convincing manner to prove that he was developing shipping on the right line In reply to a speech at a public dinner at the Willingdon Sports Club in 1940 which congratulated him for the services he had rendered to the cause of shipping, he said : "I desire to see Indian

ships carrying India's maritime trades to the four quarters of the globe. I am anxious to see that these ships are controlled by Indians as well as managed by Indians and fully manned by my own countrymen. I yearn to see the Indian flag only as a matter of right, in my own homewaters I long for the day when I can take my own countrymen in super-Indian "Victorias" and in super-Indian "Normandies" to all parts of the world" It would be clear from this that Shri Walchand's conception of Indian shipping was not confined to ships carrying cargoes only in Indian waters, but extended to cover international waters also as well as to the running of passenger lines Had he lived, I am sure, he would have organized services of tramps and tankers as well as cross trades to run by Indian shipping

Shri Walchand was a man of indomitable courage and considered confidence in his own powers of organisation. Mrs. Annie Besant, a well known Theosophist and one of the most powerful orator in the world in one of her speeches delivered in Bombay in 1902 observed· "Centuries of moral evolution lie between the sentiments of two classes of men, namely one who would say that somebody should do it—why should I? And the other class would say that somebody should do it—why should not then I?" I should say that Shri Walchand belonged to the category who would say "Somebody should do it—why should not then I?" That is how he saved the Bengal Burma Company from the sale to Lord Inchcape and kept the flag of Indian shipping flying with the result that from practically no tonnage in 1919 to the present tonnage of Indian shipping which has exceeded 15 lakhs of tonnes This is a glorious achievement of a man who had a rare vision and a definite mission to carry on in his life, mainly to further industrial revolution by setting up number of key industries in the country.

Another very signal service which Shri Walchand rendered and which he had left as his inheritance to India is to see that India was represented only by Indians at the International conferences In view of this policy he, in order to vindicate the right of the Indians only to represent India, protested against the inclusion of a non-Indian in that delegation in which he was included and sent as a Member of the Indian Delegation to the International Conference at Geneva As a mark of protest he therefore walked out of the Conference I also had to protest against an inclusion of an English man in the International Maritime Conference held in Geneva in 1936 and in view of certain unparliamentary words by

the Member of the British Delegation at Seattle, I walked out of it with all my advisers. As a result of the action taken in time by the Government of India in connection with this incidence, Mr Jarman later on apologised for what he had said. This vindicated the claim which Shri Walchand asserted by acting on the principle "example is better than precept". Since then all the Members of the Indian Delegation who are sent to International Conferences are only nationals of India. It was in 1918 that the Imperial War Conference passed the following Resolution which is given in the "Report of the Imperial Shipping Committee on the functions and constitution of a permanent Imperial Body for Shipping Question, presented to Parliament by Command of His Majesty":

"WHEREAS the Imperial War Conference, 1918, passed on the 26th July, 1918, the following resolution.

1 That in order to maintain satisfatorily the connections, and at the same time encourage commercial and industrial relations, between the different countries of the British Empire, this Conference is of opinion that shipping on the principal routes, especially between the heart of the Empire and the Overseas Dominions, including India, should be brought under review by an Inter-Imperial Board on which the United Kingdom and the British Dominions and Dependencies should be represented

2 That for this purpose an Imperial Investigation Board, representing the various parts of the Empire, be appointed, with power to enquire into and report on all matters connected with ocean freights and facilities, and on all matters connected with the development and improvement of the sea communications between the different parts of the Empire, with special reference to the size and type of ships, and the capacities of harbours, the Board to include, in addition to representatives of the Governments concerned, persons with expert knowledge of the problems involved, including representatives of the shipping and training interests"

No Imperial Investigation Board as recommended in the above Resolution was ever appointed, but Mr David Lloyd George, the then Prime Minister of England, constituted Imperial Shipping Committee in June, 1920 and the Secretary of State for India nominated Mr. M S Meyer on that Committee, on behalf of India

It will be seen from the above Resolution that the object was

also to secure representation of the shipping and trading interest along with the Government on that Committee, because it was in substitution for the Imperial Investigation Board that the Imperial Shipping Committee was appointed as it would be noted from the clause 2 of the above Resolution These representatives were not appointed on the Imperial Shipping Committee which presented its 38th Report on the British Shipping in the Orient in the year 1939. India was represented only officially by Sir Firoz Khan Noon.

Like late Shri Vithalbhai Patel the then President of the Legislature, who secured one after other rights rightly belonging to the Legislature by keeping constant vigilance and putting forth his case in his usual forthright, cogent and convincing manner, Shri Walchand also as the Chairman of the Scindia Company and also Chairman of the Indian National Steamship Owners Association, secured one after other the rights for Indian shipping

I have no doubt that if Shri Walchand were alive today he would have done the same thing so far as the representation of shipping and trade interests being represented by Indians on the Imperial Shipping Committee as on any International Conference also, which might affect Indian industries and Indian economy, and thus pave the way for securing economic freedom for India

Shipping is really an international industry and no country, much less India, can afford to run it successfully in every way by ignoring the existence of relative international conference or by not taking active and effective part in its deliberations If India is to continue to remain on the maritime map of the world as a distinct entity of shipping and to secure its proper right for maintaining the proper position and status in the maritime world, communicating its views in a proper manner, representation of such international bodies of the International Maritime Communication Organisation (IMCO) and the Imperial Shipping Committee and such other international conferences, should be unambiguously secured now without any further delay It is the bounden duty both of the Government as well as of the people that they should see that such international gatherings not only respect the Indian flag but also welcome the Indian Delegation and hears their views in accordance with the international practice and attach to them the weight and merit they deserve It is to be however hoped that the National Shipping Board, the Government of India, Scindia Company, Indian National Steamship Owners' Association, the Federation of Indian Chambers and Commerce & Industry, and all

Institutions interested in shipping will take up this question promptly and seriously so that India may play its proper role in such international conferences and contribute its own quota to international understanding and to the setting up of international conventions and to the building up of international traditions to help the shipping of the world particularly of the developing countries

I do feel that a careful reading of this biography will give the reader the necessary vigour and strength to apply his mind to such matters as one above referred to, so that he can have the satisfaction that "I have done my little bit to discharge my duties to place Indian Shipping in its proper place and with proper status in the international field and derive inspiration for that purpose from what Shri Walchand did in his life-time for this industry" If that is done, not only will the readers have the satisfaction that they have done their duty, but they will thereby also discharge the debt of gratitude which they owe to Shri Khanolkar for writing the biography which guides, encourages and inspires the reader to do his all for Indian shipping Such biography should be prescribed as a text book in all Colleges of Commerce etc, throughout the country They will then fully realise the important background behind the industrial revolution which Shri Walchand led as one of its distinguished pioneers.

I have no doubt, if this biography is included in the list of the Text Books in the Commerce Colleges in the country, they would give very interesting material to ponder over and would inspire the students in their own tongue to sublimate the self and build up industries with patriotic urge and unshakable determination to do so despite the sacrifices which they might have to undergo in time, energy and money This is the inheritance which Shri Walchand Hirachand has left for his countrymen and the writer has succeeded in creating that image in the minds of the reader There lies the greatness and value of the book I would like to add one more word and say, let us have more Khanolkars to write the biographies of Indians who have contributed to the industrial development of this country and also say let us have more Walchands who are not born every day They come perhaps once in a quarter of a century

Let us all, therefore, pray that let India have more of such Walchands so that Indian shipping may keep its flag flying not only on seven seas of the world, but also enable Indian shipping to

carry India's overseas trades in such a manner as would enable not only India's trade to expand but also increase the competitive capacity of Indian products to sell themselves in foreign market, thereby enable Indian shipping to make a net contribution to save crores of rupees of foreign exchange resources of India, which India badly needs This will enable India to secure economic freedom along with economic prosperity and lighten the drain of its foreign exchange resources and make it possible to maintain its balance of payment position on the right side, and thus enable Indian shipping to attain a distinct and notable place in the maritime activities of the world

M A. MASTER

INTRODUCTION

It is fifteen years since Walchand Hirachand passed away. Since then repeated suggestions have been made from different quarters to the effect that a definitive biography of this great industrialist depicting his personality and achievements should be published as early as possible The members of Walchand's family had grown quite conscious about it But it took much longer time for their desire to be fulfilled

It was in July 1963 that my friend Shri G B Nevalkar introduced me to Shri Bharat Gulabchand Doshi, the nephew of Walchand Hirachand, and suggested to him that he should entrust me with the task of writing a life of Walchand Hirachand He expressly did so Accordingly, I fulfilled the task, and on its completion, a full-length Marathi biography was published in 1965. Its Gujarati version duly followed in 1967 And now its English version is being presented to the public in response to persistent demands made by several persons and institutions

The biography is not merely the history of Walchand the man Although it throws profound light on the development of his personality, activities and achievements, it deals at length with the history of the origins and developments of various industries in India, such as sugar manufacturing, shipping, ship-building, automobile and air-craft manufacturing, engineering, building and bridge-construction, which he set up with the courage and vision of a pioneer It also shows how Walchand planned and launched upon so many key-industries It will not be a hyperbole to say that since Sir Jamshedjee Tata, Walchand's achievements alone constituted the history of industrial development of India

Walchand was an industrialist with a dynamic personality and prolific imagination who ushered in an industrial epoch in the country He devoted his life to heroically liberating India from the economic thraldom of British Imperialism While playing this vital and historic role and performing these wonderful feats in the industrial world he stirred the patriotic minds in the nation ; for the sole dream of his life was to win back the economic independence of his motherland and make her economically safer and stronger. Thus the story of his life is the history of the enterprises, struggles, and

successes of the Indian industrial world, in which he ceaselessly moved and untiringly worked for over four decades

I have faithfully attempted to narrate this story, keeping scrupulously to its historical facts, events, records, documents and chronology. In doing so, I have carefully sifted a plethora of materials and minutely examined the documentary evidence. Whenever necessary, I searched for missing facts and links and discovered many a new fact and corrobrative evidence

I have also visited places where the important factories were set up and the events took place, and the dreams of the industrial genius were realized I have consulted Walchand's chief lieutenant M A Master and his intimate friend Sir Manilal Nanavati, who proved to be unfailing guides

All this guidance and research helped me to fuse the evidence into a vivid narration and form the correct estimate of Walchand's daring and enterprising zeal and bring out the varied facets of his conquering personality

The English version, done so ably by Thomas Gay of Poona, was a faithful translation of the original Marathi biography It was, however, not possible to publish the English version as it came from him as several facts and new information that came to light after the publication of the Marathi biography were to be incorporated in the story at proper places And to give it a correct perspective I had to revise and edit some of the important portions of the book I have done this revision and editing with the assistance of my elder brother Prof V P Khanolkar and my friend Dhananjay Keer who both have painstakingly helped me to give the shape to the delineation and depiction of the story as I desired I am deeply indebted to both To Gay I owe a debt of gratitude for his patient work and co-operation, and for the index

A Preface by M A Master has been added to this biography As it comes from a man who had devotedly served Walchand in the Shipping Industry as his lieutenant and who is considered an authority in the field of Shipping Industry It was he who guarded the interests of the Indian Shipping Industry at various international conferences. Although he has been bed-ridden for a long time and is eighty-five, he has written this Preface just to record his testimony and authenticity to the work and mission of Walchand I sincerely acknowledge my deep debt of gratitude to him for his unfailing guidance and valuable Preface which adds to the knowledge, understanding and appreciation of Walchand Hirachand.

I also owe a debt of sincere gratitude to Walchand's three brothers, Gulabchand, Ratanchand and Lalchand, of whom the first read the original manuscript in whole and the others in part and helped me with their suggestions.

I gratefully mention that Walchand's three nephews Bharat Gulabchand, Bahubali Gulabchand and Arvind Raoji have paid kind and eager attention to the work while in progress I must specially make a grateful mention of the great part Bharat Gulabchand Doshi has played in the production of this book But for the help and warm encouragement I received from him and the generous attitude he showed towards my work, I would not have been able to fulfil my task to my satisfaction

I am deeply indebted to Mrs Kasturbai, wife of Walchand, and Mrs Kusumbai Shah, his daughter, for furnishing me with homely details about the family relationships

My thanks are due to the friends, officers, colleagues and relatives of Walchand who were much helpful to me in the course of my work They include Shri P B. Advani, Mrs Sumatiben Morarjee, Shri Shantikumar Morarjee Prof C N Vakil, Dr Dhananjayrao Gadgil, Shri Manikchand Veerchand Shaha, Shri G B Newalkar, Shri V Shantaram, Shri Shivlal Kevalchand Doshi, Shri Popatlal Doshi, Shri M G Madge, Shri J. A Gumaste, Shri K V Lonkar, Shri S S. Borkar, Shri R G Gandhi, Shri J. S Chakote, Shri A T Joshi, Shri P S Deo, Shri V. M. Meswani, Shri M D Bharucha, Shri M H Shah, Shri M R Varadarajan, Shri S. G. Deshpande, Shri K R Deshpande, Shri R L Joshi, Shri K R Parameshwaran, Shri M R Desai, Shri Aravind Tatke; Shri H C Rawat, Shri Y Krishnamoorthy, Shri V S Mani, Shri G V R Shastri of Hindustan Shipyard, Visakhapatnam, Shri P M Reddi, Shri R Murthy, Shri K Shripal of Hindustan Aircrafts Ltd, Bangalore, Shri G. M Laud, Editor, *Financial Express* and Shri P N Samant, Secretary, Beecham (India) Pvt Ltd

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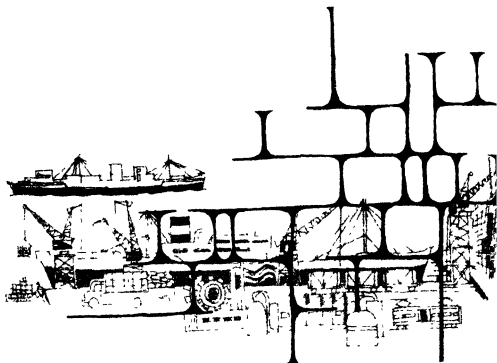
BOMBAY-28.

G. D. KHANOLKAR

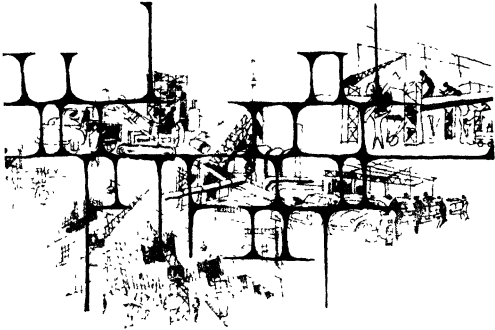
LIFE'S PATTERN

I long for the day when we shall have India-made motor cars, locomotives, railway coaches, tramways, buses, aeroplanes, ships, electrical goods, machinery, and the thousand and one things for which we have to depend on imports When that consummation is reached, I assure you, Gentlemen, there will not be any one in our country who will go to bed hungry, there will not be a beggar asking for alms, the standard of living of our countrymen would have risen tremendously and to the level obtainable in prosperous countries such as U S A, poverty would have been a thing of the past and everywhere there would be plenty and prosperity

'I quite realise that Government help and national planning are the essential pre-requisites for this goal. But, every one of us will have also to help. We shall have to give constructive shape to our wishes, and concrete help, however small, in place of talks and

discussions Our commercial and enterprising men will be required to devote more attention to industrial enterprises"

These words fell from the lips of an adventurous-minded and industrious man, a man who refused to plead those old excuses of poverty, lack of means, official neglect, difficult circumstances, or industrial and scientific backwardness, who scorned that ever-lasting wailing about our miserable condition The occasion was the opening, at the hands of Walchand, of a new branch of the Dena Bank in Sholapur City, on the sixth of August, 1943. The words already quoted were part of his speech on that occasion, glowing phrases that erupted forth that day from the longings and hopes which he cherished all his life with regard to his comrades in business and his brother Indians

On yet another occasion he gave similar expression to his fondest desires In appreciation of Walchand's eminent services to the nation in establishing India's maritime transport and shipping trade, through his Scindia Steam Navigation Company, the Chairman of

the Dena Bank, Pranlal Devkaran Nanji, gave a magnificent party in Walchand's honour at Bombay's Willingdon Sports Club. Sardar Vallabhbhai Patel presided on that eleventh of January, 1940, and the party was attended by captains of industry and eminent leaders in various fields. While giving thanks for the honour done to him,

Walchand allowed the deep-rooted longings, which had grown in his heart for many years, to burst forth like a lava torrent suddenly and swiftly erupting from an active volcano:

"I desire to see Indian ships carrying India's maritime trades to the four quarters of the globe. I am anxious to see that these ships are controlled by Indians as well as managed by Indians. I want to see the Indian flag only, as a matter of right, in my homewaters. I long for the day when I can take my own countrymen in super-Indian "Victories" and in super-Indian "Normandies" to all parts of the world. I dream of the time when I can see these ships built in Indian ship-building yards. I am impatient to make Indian shipping the effective instrument of India's national economic policy and a powerful safeguard for the defence of its trade in times of peace. Such a full-fledged Indian Mercantile Marine will hasten the

dawn of the day when we shall find India attaining complete independence or Purna Swaraj for which you, I and all have been waiting anxiously and impatiently for all these years."

The man who both cherished such desires in his heart and proclaimed them openly to the world, could not sit idle To realise them, he waged a relentless and prodigious struggle, a struggle which increased in intensity and scope, right from the awakening of his understanding, through almost fifty years The battle raged day and night; yet never for an instant did his eyes swerve from the guiding star of his ideal Making his powers of thought, of invention, of action, ever more creative and efficient, he fought against obstacles, conquered one territory after another, thrust and thrust again, broke the fetters of adversity and opposition, and marched steadily onward Never did he petition Success, rather did Success petition him, to clasp her to his bosom

Initially, no doubt, the fight was for his own self-realisation Yet as the field of his activities grew larger, and the final goal's horizon broadened, the nature of the struggle changed, becoming one with all the ardent dreams of expansion cherished by an India ripe for industrialization The struggle was to become. not merely Walchand's but the bitter struggle of India's industry, whose story is the story of Walchand's life. It is a story full of happiness and sorrow, hope and despair, expectations and disappointments, of the fluctuating luck of the game, of stratagems and counter-stratagems, attacks and counter-attacks, of joy and grief It tells of things that out-dazzle the battles of romance

Such is the story which you shall now hear and read You shall behold the picture of a fruitful life wholeheartedly devoted to the accomplishment of your and your country's desire. It shall show a man whose life's motto was "Work, Work, Work ; take the long view, with discretion to guide you, conquer fresh fields with self-reliant courage, and always—work" His whole life echoed to this motto

His life's ambition was to gather up all his genius and the dynamic forces of his character, and to achieve what none else had done And this ambition supplied the pattern on which the stuff of his life was woven

Hirachand Nemchand

Sakharam Nemchand

Manikchand

Ratanchand Hirachand

Gulabchand Hirachand

Lalchand Hirachand

Walchand with his family members on his 71st birthday celebrated at Bombay (standing from left) Bahubali Gulabchand, Arvind Daftari, Ushakant Ladiwala, Mrs Nalini Popatlal, Mrs Jayashri Ushakant, Mrs Leelawati Vidyachandra Miss Shobhana, Mrs Kamalini Bahubali, Mrs Sharayu Arvind Daftari, Miss Nirmala Ratanchand, Miss Rajani Motichand, Miss Trishala Gulabchand Mrs Leelavati Bharat Popatlal Shah, Vidyachandra Shah, Bharat Gulabchand, (on chairs from left) Lalchand Hirachand, Mrs Lalitabai Lalchand, Motichand Goutamchand, Mrs Kusumabai Motichand, Walchand Hirachand, Mrs Kasturbai Walchand, Gulabichand Hirachand, Mrs Shantabai Gulabchand, Mrs Vimalabai Ratanchand, Rajas Ratanchand Hirachand, Govindji Raoji, (on the ground, from left) Upendra Abhayakumar Shah, Chakor Lalchand, Miss Nanda Motichand, Shashank Lalchand, Miss Chhaya Motichand Arvind Raoji Dosni, Ajit Gulabchand, Miss Aruna Ratanchand, Miss Anjana Gulabchand, Vidyut Mehta

Walchand Hirachand & Mrs Kasturbai Walchand

3) If the Chinese war situation is serious I will drop Shanghai. If it is more serious I might drop even Japan and proceed in the Empress of Canada which is a British boat to Hong Kong. I will cable from Yokohama.

4) My steamer stops at

Walchand Hirachand

Facsimile of a letter by Walchand

nichand Daluchand Shah

S C Banerjee

Alexander Lawson

B D Sardesai

Narottam Morarji

Walchand Hirachand

Kilachand Devchand

Sir Lallubhai Samaldas

M A Master

S N Basu

S J Pandya

EARLY PERIOD

1882-1918

1.

A NEW LIFE IN A NEW LAND

THE time is a century and a quarter ago. Hundreds of Jain families are forsaking their homes in northern Gujarat—Idar State and its neighbouring districts—and coming to Maharashtra, where they settle in Phaltan, Akalkot, Aland, Sholapur, Pandharpur, Baramati, Poona and other towns

It was for no light cause that these Jains abandoned their hearths and homes. Those were days of great insecurity, restlessness and tumult Idar and the petty kingdoms surrounding it were daily witnesses to murder and assault, to robbery and arson In their lust for gold, and often for women, the rulers themselves observed no scruples as they wantonly harassed their subjects. Neither life nor property nor honour was safe None could say what might befall at any moment On top of this, the two years 1812 and 1833 brought acute famine to those regions and pitiful destitution to their inhabitants. Trade became difficult—and the Jains' chief resources are trade and banking Only when the machinery of government is firm, only when it provides security and encourages the expansion of industry, can the business class live and work with confidence. Where such conditions are lacking, business has no option but to migrate to some other place, where it can build up on strong foundations, where it can expand and grow

Among the numerous Jain families which left Idar State for southern Maharashtra, was that of Walchand Hirachand. Walchand's great-grandfather Nihalchand Bhimji Doshi, along with his family, said farewell for ever to his native Wankaner, and reached Phaltan in Satara District, at about the time when British rule was supplanting the rule of the Peshwas.

His choice of Phaltan is not explained. Perhaps he counted on receiving help in quickly establishing himself from Jain families of his acquaintance who had settled there before him. Another possibility is as follows In the first quarter of the last century Phaltan,

then a town of some seventy to eighty thousand inhabitants, was an important centre for the manufacture of silken and various types of handloom cloth. Its fancy-bordered dhoties and silken *muktas* were widely famed. Camel trains going from Delhi and Rajputana to Hyderabad, bearing costly silks, fine muslins and gold-threaded cloth, to say nothing of ornaments of rubies, pearls and diamonds, used to halt at Phaltan Brisk buying and selling went on there. Merchants came via Mahad to Phaltan, and thence via Pandharpur and Sholapur to Hyderabad, Mysore and Madras In later years, Phaltan became a busy market for rice and mangoes, where lakhs of rupees were ventured There was also a substantial trade in oil The names of Phaltan's lanes and alleys still bear witness to those bygone times—Oilmen's Lane, Weavers' Lane, Rice Lane, Mango Lane, Gujarati Alley, the Marwari Quarter To a town so favourable to trade and business, the Doshis and other Gujarati families were naturally drawn.

The quarter of Phaltan where the Doshi family first made their home was formerly known as the Wednesday Quarter, but today it is the "New Quarter" Their shop was in Tailors' Lane, on the near side of the Mango Lane which is today inhabited by Gujaratis and Marwaris; the house can still be seen

The Doshis belonged to the Dashahumbad caste of the Digamber sect of Jains, their clan being the Uttareshwar. The normal occupation of their menfolk was to travel from village to village, selling cloth, yarn and groceries which they carried on bullocks

Nihalchand had six sons and a daughter One of these sons was Walchand's grandfather Nemchand, who married thrice His first wife bore him Jyotichand (ob 1905) and Gautamchand (ob. 1890) the second was issueless, and the third became the mother of Sakharam and Hirachand (Walchand's father).

The Doshis stayed at Phaltan for some fifteen years, but saw no prospects of business sufficient to maintain the ever-growing family, and soon after they migrated to Sholapur. Thereafter, in 1870 or so, other Jain families arrived in Sholapur as neighbours of the Doshis. The alley in which all these families first lived is today known as Phaltan Alley

Nemchand, in partnership with his elder brother Padamsi and his brother-in-law Khemchand Ugarchand, ran a cloth and yarn shop at Phaltan for some years; but in 1839 Nemchand opened his own petty banking and cloth shop in Sholapur His business rapidly took root, and he settled down in Sholapur for good. Of his four

sons, Sakharam and Hirachand displayed especial capacity, and their ability won them a desirable position not only in the field of commerce, but also in municipal and cultural life. More especially, it was the prominent personality of the youngest son, Hirachand, which won for the Doshi family a name to be envied in economic, social and religious spheres.

Hirachand was born at Sholapur on November 5, 1856. He had his first two years of primary education in Marathi at Limbgaon, where his grandfather lived, followed by three years' schooling at Sholapur He left school on completing the fourth standard, in his tenth year. In accordance with his father's desire that he should learn a little Sanskrit, he spent two years with a shastri studying Amarkosha and three cantos of Raghuvansa of the poet Kalidasa. He also took advantage of the visit of a Jain sadhu to Sholapur, to widen his knowledge of the Sanskrit classics

In 1869 he accompanied his parents to the holy places of Girnar and Shatrunjay During this pilgrimage, his father and his cousins Talakchand Padamsi and Motichand Khemchand achieved fame by jointly building a new temple at Junagadh In the course of the four months' stay which the work necessitated, Hirachand learned enough Hindi to be able to read some classical books Unhappily, during this very stay Nemchand was stricken down by fever and passed away Hirachand himself caught the fever, and the whole party returned in haste to Sholapur

Hirachand suffered for a full year, and on recovery was obliged to attend to his father's affairs In 1878, Hirachand and his brother Sakharam separated from their elder half-brother Gautamchand and conducted their business independently Despite his increased responsibilities, Hirachand did not abandon his pursuit of knowledge. Among his friends was one Mr Ketkar, a person of his own age, whose knowledge of English led young Hirachand to an acquaintance with English dailies like the *Times of India* as well as selected English books Of necessity he had to conduct his own English correspondence, and as the only Jain of those days who knew English, his familiarity with it soon stood him in good stead.

In 1874, the first mill in Sholapur, the Sholapur Spinning and Weaving Mill, was established by Seth Morarjee Goculdas. In 1880 this gentleman, noting Hirachand's business experience, financial acumen, and uniformly high trading standards—and further, his knowledge of English—positively insisted that the young man should join his mill as financial agent Seth Morarjee, with his original

manager and later partner Seth Virchand Dipchand, placed unbounded reliance upon Hirachand's probity, competence, farsightedness and ingenuity.

Unluckily, Seth Morarjee Goculdas passed away in this very year (16th October 1880) but the relations between his heirs and Hirachand remained close and unbroken for wellnigh half a century Not often do we find such an enduring bond with a man who could not tolerate the least slackening of discipline, exactitude or principles; a man who in later years would not be dissuaded, whether by relative or co-worker, from closing down his Aurangabad or Bombay branches, at a time when he found himself faced with a choice of financial gain or compromise with his principles Unswervingly attached to his ideals, Hirachand raised himself, along with the Sholapur Mill, to high eminence while devotedly following the commercial and ethical rules which he had set for himself Later, when the Laxmi and Vishnu Cotton Mills were established at Sholapur, he was appointed Selling Agent for their cloth and yarn, a task which he discharged with great success.

Until his thirtieth year, Hirachand's time passed in all-round self-education and in establishing his personal and business affairs along healthy lines. In all this he had the full and constant support of his elder brother Seth Sakharam Nemchand.

The Doshi family had been settled in Sholapur, after leaving Phaltan, for nearly five decades. Both inwardly and outwardly they had now become complete Maharashtrians. The Humbad caste Jain families who had arrived before, after, or along with the Doshis had become Maharashtrian in thought, speech and dress Only the womenfolk, with their natural tendency to cling to the old as far as possible, would not change their dress, their home speech, their ways and habits Along with the gradual rise in their economic status, these families began largely to forget their own religion and culture. Their education was exceedingly narrow; if they could read and write the Modi and Balbodh scripts, and could claim a smattering of accounts, they felt more than satisfied. To earn a few pice to keep the home together, was enough for them Such, in general, was their outlook Thanks to their educational backwardness, and to their religious views which so conflicted with Hinduism and other faiths, they commanded little respect among society. "No good Hindu" decreed the Hindu divines, "should enter a Jain temple even to escape from a mad elephant in pursuit". Among non-Jains, Jain religious and public processions were highly unpopular.

Hirachand could not bear to see his community's decadence and lack of respect. His mind was constantly revolving thoughts of how he could win for them a new and honoured status. He reflected how those servants of the people—Gopalrao Hari Deshmukh, Jyotiba Phule, Mr. Justice Ranade, and Gopal Ganesh Agarkar—had striven for the uplift of the Hindus, and he felt that he should do likewise for his own people. As he clearly appreciated, the infallible way to change their thinking would be through education; and step by step he began to follow that path. In his twenty-seventh year, it is recorded, he journeyed north to Malwa and south to Mysore. During these travels he discussed and argued on religious, social, educational and commercial topics with numerous experts, thus becoming exceedingly well-informed on a wide range of subjects. The benefit of all this knowledge, he determined, should go to his community

A Jain gentleman, who was fully aware of Mr. Hirachand's activities and understood their importance—Raoji Nemchand Shah, has penned the following memoir · "In order to create in his community a love and respect for their own culture, religion, speech and literature, and to give them proper information about all these, he decided to administer a revitalising tonic through the pages of a Marathi monthly, *Jaina-Bodhak* Our community was in all sorts of ways fettered and moribund, stumbling in the darkness of ignorance; and if this lofty soul had not been there to give us the nectar of knowledge through *Jaina-Bodhak*, the condition of the Jains would have baffled imagination The noble Seth launched his periodical *Jaina-Bodhak* in 1884, and therein he published his views fearlessly and offered them without reserve In order to destroy the prevailing false ideas about God, about teachers, and about scriptures, he wrote article after article in this monthly journal, giving the correct idea about the true God, true teachers, true scriptures Many Jain rituals were meaningless and boorish; he plainly showed how ignorance about religion unreasonably involved us in these, and proceeded to lay bare their defects Marriages of infants or of old men, the accompanying dances by Devadasis, the unnecessary and pointless expenditure on feasts and processions, the letting off of dangerous fireworks, and such like matters—all these he sharply criticized. Similarly he wrote pungent articles against a number of false practices carried on in the name of religion; for instance, adoring a host of saints and deities, making vows to them to ward off evil or to confer a boon, and propitiating

them by violent and sinful acts He would study each subject properly, collect all the relevant facts and figures, and then write a well-founded and balanced article upon it."

Another has written of Seth Hirachand, "At that time the Jain priests were bitterly opposed to having their scriptures printed. In a resolute wordy warfare conducted through the *Jaina-Bodhak,* the Seth soon put them to rout. Since he had already, through articles, speeches and hymns, taught people whom to honour with the title of "Sadguru—True Teacher", priestcraft and false piety were totally unable to flaunt themselves during his regime

"Through his journal he carried on the tasks of exhorting the older generation and instructing the younger For fully discharging the latter task, he acutely felt the need of a school. The Jains of that day were asleep Yet, just as the Holy Gita describes, one wise man stayed awake, ever wondering how he could arouse the younger generation The Jain community was as inert as a stone ; from which, as he well knew, only a chisel stroke could strike the statue of God He therefore played the sculptor himself ; in 1884 he gave shape to his idea of establishing a school at Sholapur, for imparting to boys and girls fitting knowledge of God, religion and the scriptures, and for implanting the true spirit in their innocent souls.

"Seeing how religious instruction was hampered by the non-availability of suitable books on Jainism, he got fresh copies made of appropriate texts, and decided to publish small editions in simple Marathi and other languages. The pandits of the day mistakenly conceived that the Jain tradesman was getting above himself, and violently agitated for boycotting the printers of Mr Hirachand's books and for forbidding anyone to buy or even read them However, by quoting the scriptures themselves he was able to squash the agitation. He wrote many of the religious texts himself, or got others to write, after which he published and most enthusiastically distributed them. Along wtih this work of service, it would be appropriate to mention his research into the Jain scriptures."

Others have testified to Mr. Hirachand's immense and unforgettable services to his community, by way of his researches into old documents and inscriptions, and their preparation and publication at his own cost ; by his establishment of various organizations such as schools, libraries and hostels ; by his encouragement of regional conferences and promotion of female education, and so on

Hirachand did not confine his public activities to the Jain community. He recognized a duty owed to whichever city he lived

in, to any city which had brought prosperity to his family. Many of Sholapur's institutions for education and the spread of knowledge, for health and social service, for the care of destitutes and cripples, owed their firm foundation and efficient working to his enthusiasm and munificence For twenty-five years continuously, from 1882 to 1908, he was a Councillor of the Municipality, often serving as Chairman in turn of its Managing, Financial, Tax-collection and other Committees. The work of all these committees he performed with marked ability and integrity, thereby earning the confidence and respect of his fellow citizens. Government appointed him an Honorary Magistrate and Jail Visitor, in both of which capacities he rendered noble service. Through all these years he did everything possible for the welfare of the city.

Now, more than half a century had elapsed since the Doshi family had left their homes, to lead a new life in Maharashtra. The belief that Maharashtra was their motherland and Marathi was their mother-tongue had taken firm root in their mind for two generations Hirachand was a symbol of that spirit. "He was of yellowish wheat complexion, of middle height and compact frame; his countenance shone with intelligence His dress was utterly plain but neat—a spotless long-coat, uparne[1] and dhoti, with Poona-style shoes; in his hand an umbrella, on his head a Poona turban of deep crimson. He wore green pendant ear-rings, and his gleaming skull carried a narrow fringe below the top-knot He had small moustaches, and an orange caste-mark on his forehead" He so identified himself with the local customs, language and the way of living that none was able to detect in him vestiges of his original environment. He was every inch a Maharashtrian Such was the family, headed by such a man, into which Walchand was born, at Sholapur, on the 23rd of November 1882

1 A loose piece of fine white cloth going round the neck, with the ends falling over the left shoulder, one end in front and the other in the rear

2.

'NEATH A SHELTERING FATHER

WALCHAND was Hirachand's fourth child, having been preceded by a sister Kankubai born in 1875 and two brothers, Manikchand in 1878 and Jivraj in 1880. Within a fortnight after Walchand's birth, his mother Rajubai[1] left this world Though he would never know the joy that comes from a mother, his aunt Umabai, wife of Seth Sakharam, did not allow him to feel the loss. She nourished him with goat's milk, and threw the mantle of her love around him As she had then no issue of her own, it was but natural that all the power of her mother-love should turn towards the motherless Walchand As the senior woman, she managed the household; and since she combined an upright nature with practical ability, she proved a true Goddess of the hearth to the Doshis.

At the time of Rajubai's death Hirachand was aged twenty-six, still in the prime of youth Yet he had no thought of remarrying His old mother and his sister-in-law took the place of a mother for his children, who were thus in good hands. Perhaps he felt that a new arrival in a joint family, where there were already four children, might prove a disturbing factor; or perhaps it was owing to his own refinement of feeling; at any rate, Hirachand put from him all thought of remarriage Nevertheless, he could not long resist the importunities of his mother and his clever and capable sister-in-law. These two had selected a pretty and virtuous girl, well versed in household duties, from a family known to them; and so in 1883, one year after the death of Walchand's mother, Hirachand consented to marry Sakhubai, daughter of the banker Jaychandseth Mehta from Gulbarga. The new wife, by her tact, sense of duty and humility, won the hearts of the whole family, from the oldest to the youngest She was on good terms with one and all. Her own nature

[1] In memory of Rajubai he built the Rajubai Maternity Home in Sholapur, near Bale Ves, in 1929

being devout, she proved a help to her husband in his religious affairs, and brought reassurance to his troubled mind.[2]

The scope of Hirachand's business was increasing. Besides the agency of the two cotton mills at Sholapur which he got in 1888, the following year brought him the agency of a mill at Aurangabad. Entrusting the management of his Sholapur concerns to his elder brother Sakharam, he himself went to stay at Aurangabad, taking with him his wife and youngest son Walchand and leaving the other children behind.

Walchand had just entered his seventh year His father desired that the boy's education should begin under his own eye. He took into account his growing business, the change in commercial outlook brought by changing times, the fresh social attitudes induced by Western knowledge ; and he had made a mental note that while teaching his children personally he could blend ancient piety with modern outlook Accordingly he decided to handle his children's educational problems himself, in a far-sighted manner.

It was Hirachand's view that everyone, regardless of sex, should receive such education as would uplift him by refining his mind and character, and that the responsibility of providing this belonged, just as it once belonged to the teachers of old, to the adult members of the family A child was rightly moulded only when the school's refinement of his mind was coupled with the refining influence of his home By this, he was firmly convinced, the child's nature was harmonized completely, so that he would acquire the spiritual and intellectual strength necessary for leading an upright life It was for this reason that, instead of simply handing over his children to the schoolmaster, he himself became their teacher. The lessons of discipline, high thinking, love and compassion for all life, the spirit of service, together with devotion to religion, duty and society—all these he taught them by his own conduct. As his son Ratanchand records · "His daily round was marked by discipline, exactitude and regularity Sparing of speech, he never cared to waste his time on unprofitable matters." To live by following "sound occupation and sincere thoughts", was his philosophy through which he taught the younger generation the way to benefit itself.

2 Sakhubai had five issues (1) Kesharbai, (2) Gulabchand (b 23-9-1896), (3) Nanchand, (4) Ratanchand (b 27-9-1901), (5) Lalchand (b 24-10-1904) Of these, Kesharbai and Nanchand died in infancy
Sakhubai died in a car accident at Sion in 1920 , in her memory Hirachand founded the Sakhubai Girls High School, after giving a handsome donation to the Saraswati Mandir at Sholapur, in 1931

"See, O man! Thou art thine own friend; why lookest thou for any friend but thyself?" Hirachand cherished these words of Lord Mahavir all his life long; he had taught himself to be a man of learning, a man of culture, a man of business He was wont to declare, speaking from experience, that success could never elude him who realised that nothing substantial was ever won without a man's own independent and self-denying effort Their Jain religion, he recalled, attached supreme importance to self-denial, and he urged that the flame of self-denial must be kept ever burning in the heart.

With such a teacher dwelling within it, what home could ever harbour ignorance, unculture or irreligion? With the inspiration of these fatherly ideals, the motto which young Walchand chose for his life was "Work—more work—self-confident, self-reliant, ceaseless work!".

Hirachand's daily programme was an organised affair, with a strict insistence on "a proper time for everything". No matter how great the pressure of business, he would take some time off for reading, exchange of ideas, and religious discussion with his family. In order that each member should have proper knowledge about the religion in which they were all born, and be able to follow its precepts in their daily lives, he would call them all together and either he or some other would read to them, and then he would explain to them their meaning in a simple, homely language which all could understand

Though Lord Mahavir's teachings were originally written in the Ardhamagadhi language current in the land where he lived, a large number of religious Texts based on them are written in Sanskrit. To obtain the spiritual and linguistic benefit from an acquaintance with these, Hirachand felt that every Jain should acquire at least a little knowledge of Sanskrit With this in mind, he made the boys and girls of his family study Sanskrit and learn selected passages from the sacred texts by heart, with their meaning interpreted either by himself or some scholarly expert.

In a home which offered such training, together with the encouragement to learn more and more, a girl like Kankubai (1875-1939) developed herself into a religious scholar of high class and an inspiring leader of Jain womanhood Following her father's example, with the help of articles, speeches, discourses, books and personal service, she aroused among her Jain fellow women an eagerness and impatience for self-improvement For her devout personality and religious attachment, the Jain community in later years fittingly

described her as *'Dharmachandrika'* (a religious luminary).

Hirachand was very fond of pilgrimages to the holy centres. Apart from the religious motive, his chief purpose was to make close human studies and to learn for himself the condition of the people. To travel with one's eyes open, he held, was an invaluable means to a liberal education. He never failed to take one or other of his children along with him.

To his children's inclinations, likes and dislikes, habits and whims, Hirachand paid minute attention; he closely investigated their aptitudes, both intellectual and emotional. If he found anything admirable in any of them, he would admire it, and would give such encouragement as was necessary for developing their special qualities About this attitude of his, a gentleman of his acquaintance has left the following anecdote:

For the purpose of his business and his public activities, Hirachand was in contact with a number of individuals and associations. Consequently, what with planning discussions, requests for aid, business talks, formal visits, and so on, there was a constant coming and going of people at his house, and you would see the veranda strewn with footwear One day, for some reason or other, Hirachand left the gathering and walked out on to the veranda. He looked, and saw his little son Walchand utterly absorbed in collecting all the different shapes and colours of shoes and laying them in a row beside the wall outside the veranda

He asked in surprise, "What's that you're doing there, Walubhai ?" "Making a railway, Daddy," answered the boy without halting his work or looking up Concealing his amusement, Hirachand asked, "And why are you making arches of shoes at some places ?" "Those are tullens" (tunnels) was the prompt reply. This ready answer made the father chuckle "Fine Fine I quite understand. Of course, you're building a railway track. Excellent! Excellent!"

With these words of admiration, he returned to the gathering and said: "Our Walubhai has just become an engineer Take a look at the railway he's making on the veranda. Go and see for yourselves" Some of the people got up and went on to the veranda, where they exclaimed in admiration, "Well done, Walubhai! That's a real fine track you're building. Now we can really say that the railway has come up to our house!" Walchand just went on with his work; his railway was still incomplete.

That day, Hirachand's eyes were opened to the fact that his youngest son was different from the rest; he had the germs of in-

genuity and resourcefulness in him, to which he added the tendency to get a job done all by himself. Henceforth, Hirachand told himself again and again that he must pay careful and personal attention to the training of this precocious son of his.

Walchand's first teacher was Hirachand himself, who had initiated him into the art of reading and writing. On going to Aurangabad, Hirachand sent him to a primary school, where he studied for maybe a year or a year and a half. Then Hirachand, finding that the way in which he was obliged to carry on business at Aurangabad conflicted with his principles, returned to Sholapur Here Walchand joined a school conducted by a gentleman named Haribhau Bhave, and studied there up to the Marathi Fourth Standard, after which he was taken for further studies to Bombay, along with his two brothers Manikchand and Jivraj

Two years after closing down his shop at Aurangabad, Hirachand opened a partnership banking office[3] (1891) in Bombay, where he now resided. True to his own policy, he brought his children from Sholapur to Bombay, and Walchand and his brothers joined the Elphinstone Middle School, which was quite near the office. In those days, Bombay experienced periodic outbreaks of plague, and so the boys were obliged to continue their education temporarily at Poona or Sholapur Walchand had to take his Matriculation examination from the Government High School at Sholapur in 1899.

Passing this examination, in 1900 he rejoined his father in Bombay. In the same year he contracted his first marriage, the bride being the daughter of a Sholapur banker, Gautamchand Khilachand They renamed her Jiubai

In accordance with his own, as well as his father's, wish that he should enter the University for higher education, Walchand joined St. Xavier's College at Dhobi Talao. He took the Previous and Intermediate examinations in 1900 and 1901 respectively, after which sporadic outbreaks of plague in Bombay compelled him to complete his course from the Deccan College in Poona For his B.A. syllabus he had selected History and Economics. He had always disliked mathematical subjects, and could not take algebra and geometry seriously What he really enjoyed was Sanskrit language and literature; and yet he rejected these for his B A.

At that time men like Dadabhai Naoroji, Mr. Justice M G

3 He closed down this office in 1905 (Samvat 1962)

Ranade, Rao Bahadur G. V. Joshi, and R. C. Dutt were conducting a scientific investigation of India's poverty, of the distress beginning to be caused by the prevalence of foreign goods over Indian, of an agriculture which the ignorance of industrial methods and the existing lack of implements had shown to be becoming more and more incapable of maintaining its growth of earning, and of the British Government's one-sided policy of denying India the knowledge of modern mechanical appliances whereby she could convert raw materials into finished goods and enter world markets, but on the contrary engaging in the design of making India a market for British goods. The efforts of these patriots, through articles, speeches and industrial conferences exercised a powerful effect on Walchand's mind

Observing that serious-minded leaders were suggesting various ways to arrest the economic decay of his country, Walchand, as one born in a commercial family, began to think which of these ways he should adopt for himself And here, probably, we find the reason for his selecting History and Economics for his B A

He studied these subjects under Professor Bain at the Deccan College and under Professor Boswin and Father Wallrath at St Xavier's These men impressed his mind for ever by the peculiar grace of their teaching One other great teacher similarly attracted him, namely Rajaramshastri Bhagwat, who was then Professor of Sanskrit at St Xavier's This austere seeker after Truth, who—in the words of the great Tukaram—"took his own mind for a witness to Truth and Falsehood, and cared not for the common view", won Walchand's unbounded respect. Once Rajaramshastri was convinced of the truth, he took no heed of opposition, nor could he be torn away from wholly accepting that truth and framing his thoughts and actions conformably to it The Shastri's character profoundly influenced Walchand, of which fact we see the evidence again and again in his subsequent life, in the faithfulness with which he adhered to Rajaramshastri's motto of "As you have said, so do."

Walchand's college contemporaries included men who afterwards achieved celebrity in their respective fields—Sir Chunilal V. Mehta, Sir H P. Mody, Mr. Justice Wassoodew, Sir Byramjee Jeejeebhoy, and Rao Bahadur A B. Latthe[4] of Belgaum Of these, his chief friend—then and throughout his life—was Mehta, one year senior to him at College. Walchand greatly admired Chunilal for his

4 During Walchand's Deccan College days, he got to know him and became his friend

assiduous nature, his penetrating intellect, his clear and analytical perception, his erudition, his ability in any matter and under any circumstances to separate the good from the evil and the favourable from the unfavourable, and thus to arrive at a balanced decision, his policy of eternal vigilance in conducting his affairs. His association with Chunilal had a beneficial and decisive influence upon Walchand's future, and supplied him with many an inspiration such as no teacher or book could have given him.

The year 1903 was drawing to a close. Walchand's final B.A. examination was close upon him. Severe plague in Bombay had forced him to stay in Poona for completing his studies. Suddenly, one day, he received the shocking news that the plague had attacked his family, that his two active elder brothers Manikchand and Jivraj had already succumbed one after the other, and that Manikchand's wife also was at the point of death. Walchand was stunned. Flinging aside his books, and ignoring the vigorous protests of his uncle, other relatives and the doctor, he rushed down to the plague-stricken city to nurse his sick ones. There he tended his sister-in-law devotedly—but in vain. He was left with only the consolation of having done his best for his family in their hour of trial.

This terrible disaster which had overwhelmed his family, and particularly the loss of two active sons just on the threshold of life, brought Hirachand to a state of helpless despair and depression, with his mind no longer on his business. Seeing all this, Walchand gave up his ambition to be a graduate. He felt that his first duty was now to stay with his father, support and stand by him.

Walchand left college for good. His father earnestly urged him not to leave without obtaining his degree, and persuaded others to press the same advice upon him. But he would not listen. When he had once made up his mind, that was the end of it.

3.

GIVING IT A TRIAL

WHEN Hirachand saw that his son would not be deflected for a moment from his decision, he gave up his insistence As his mind, temporarily crushed by the loss of his sons, slowly regained its former interest in his regular business, he began to instruct Walchand therein, step by step. But instead of starting him off in his office, in order to see how far his brains would carry him on his own, Hirachand sent him to Mohol, to engage in the jowar trade To help him, Hirachand sent two or three young relatives along with him.

At that time, Mohol was reckoned as a major centre of the jowar trade, where large speculations took place Every day, cart-load after cart-load of sacks of grain would be brought in the morning and sold in the afternoon to the retailers. The dealers watched the fluctuations of the market and took their due profit, and before evening all the sacks would be disposed of. After a few days, if the price seemed certain to rise, sales for the day would be curtailed, and the grain kept in store until the expected price was offered, when all stocks would be cleared. Dealers would make some enquiry about the locality and quantity of the year's crop and the producers' price, after which they would form estimates and speculate. Along with the buying and selling of grain, there was the business of lending money to needy dealers on one or two days' call at a fixed rate

Whether from lack of experience, or whether due to the constant uncertainties of the business, Walchand not only failed to make a profit but had to suffer loss Only the money-lending kept its end up and brought him the odd paisa by way of interest.

In the same year, he was lured by the Sholapur Mill Agent, Jaising, into experimenting with the cotton trade at Sholapur Here too he was involved in heavy loss. This was a business which Hirachand did not favour, having seen numerous examples of how quickly a man could become either a millionaire or a pauper; he

had seen with his own eyes men whose houses were once lighted all by ghee, lose everything they possessed in this business, unable to find even a cheap tin lamp for kerosene. He was resolved that his own son should not be enticed by the fascination of quick and easy profits from such a business

Hirachand had closely studied speculating in bonds and currency, and he seized many an opportunity of purchasing bonds. While doing so, he would watch governmental policy, the political atmosphere, the state of the currency market, the demand for goods, and the rise and fall in the rate of mill products He did not make these purchases with a view to re-selling in the market Whenever the profits from his current business netted him a sum worth setting aside, in order to make a clear profit he would use it to buy bonds It was simply for this purpose that he carefully studied the daily fluctuations of the bond market and the prospectuses of companies which depended upon raising capital through the issue of shares Of buying and selling cotton he had already had one taste in 1902, when he had burned his fingers. He had made a careful note never to engage in that business again When therefore Walchand entered the cotton trade, Hirachand told him about his own recent experience, and made strenuous efforts to turn him back

Walchand's daring mind however would not be diverted Unable to get financial help for that business from his father, he obtained it from his uncle, and carried on as he had resolved In the end he burned his fingers just as his father had done, in a way that he never forgot Henceforth he never touched cotton, nor even yarn or cloth Abandoning his hereditary fields of commerce, he sought new fields where his bold spirit could find free scope.

Seeing that his son's independent efforts had failed in these two businesses, Hirachand suggested that he should learn the work of his own office for some days. He accordingly sent him to Talikot, along with a Marwari agent named Ladaji Mundraji. Talikot, then in Bijapur District, was a very large centre for the sale of yarn, cloth and pure ghee Hirachand's office conducted a lot of business there through Ladaji, who had been for many years Hirachand's loyal and trusted travelling salesman.

On the journey with Ladaji, Walchand travelled sometimes in third class rail coaches, sometimes on foot carrying his own luggage, sometimes sitting uncomfortably in bullock-carts piled with lumps of jaggery Sometimes they stayed their hunger with a pinch of wheat flour seasoned with tamarind and chilli, sometimes with a

quick handful of parched gram. Ladaji was a well-to-do Marwari, but he considered it the height of extravagance to travel even by Second Class, let alone First Class. He held corresponding views on food and drink. Rich food was out of the question, but on a journey he disapproved of spending money even on plain rice and chupatty. His financial principles were enshrined in the proverb "To rule his tongue, who does not try—All his wealth away shall fly".

Staying no more than three or four days there with Ladaji, Walchand turned back again But even though Ladaji was still with him, he flatly refused to travel as they had done on the outward trip He hired a special tonga and took a different route. He made brief halts here and there, and met various agents and discussed their work with them; he got to know many wholesalers and learned something of their methods of business. Most of these merchants were Marwaris or Gujaratis; and while he admired their meticulous, frugal and industrious ways, he could not feel the same about their conservatism and narrowness of outlook.

During the Talikot trip and at Sholapur, Walchand had obtained a good insight into his father's work and business ways. He had come to see that these could never fit in with his new trend of thinking, due to his higher education and the industrial development which he had observed while living in Bombay. More and more he had to face the fact that he must discover for himself his future sphere of activity. What was there so remarkable in carrying on what his father had done? What achievement was there in that? Such were the questions which Walchand's independent and candid mind asked itself, whenever his would-be advisers sang paeans of praise about merchants who had made a success of their father's business by faithfully placing one foot in front of the other What sort of heroism, he wondered, was there in sitting in one's father's office chair? No! The man who wins new kingdoms for himself, who uses the strength of his brain and his wrists to set his own chair in an office run on his own principles—he is the real true hero. Thus ran the thoughts of a man whose life was a life of real achievement

In his later years, Walchand's father had turned more from cloth trading to banking, while his elder brother Seth Sakharam was principally concerned with yarn and cloth. Walchand himself cared for neither of these trades. The sedentary occupation of collecting interest could never appeal to his creative and active temperament. It was his constant jest that a job like this, needing neither imagina-

tion nor activity, was a "woman's job". A mind sharpened by the new knowledge, and by fresh thoughts about the uplift of his country, could not contemplate steering the chariot of his business life along the ancient ruts He inevitably found himself unable to enthuse over getting and increasing wealth according to his father's well-settled business plans.

Nor, on the other hand, could he tolerate a life of inactivity His mind busied itself in the search for some active design for living, by which he could uplift both himself and his country He wanted some field of activity with original features, such as would provide scope for creative energy and vigorous expansion Desires which had long lain dormant in his subconscious, now began to show their faces. Visions of an ideal life of fruitful activity began to float like dreams before his eyes And he used to ask himself again and again, "Shall my eyes ever see these dreams transmuted into reality ?"

What was the message which Justice Madhavrao Ranade had given to the younger generation ? "There are no means so powerful as industrialisation to bring spiritual, cultural and political prosperity to Indians Put your trust in this, and march ahead with caution, step by step. He who keeps moving, finds strength coming to him of itself; he finds, too, the onward path But he who sits still, presently loses his strength, and meets his end just where he sits Grasp, then, new ideas for yourselves, and busy yourselves with bringing them to reality We stand today on the brink of a mighty precipice; one little push, and we shall go rolling down into Misery's deep chasm"

Walchand recalled these words, and his thoughts drove swiftly on The days went by, and still he had no clear and precise picture of his life's pattern One day, something unexpected turned up Armed with a recommendation from the manager of one of the Sholapur mills, a certain Hazratkhan called on Walchand This gentleman used to take the contract for supplying the mills with firewood and bringing the necessary charcoal He did not have the big sum of ready money which his growing business required. If only he could get the backing of some financier, the work was waiting for him The manager of the Sholapur mill where he had the fuel supply contract, had recommended Walchand's name to him

The two men talked It seemed certain that with financial support the contract could be highly profitable. On the sum which he needed, Hazratkhan was prepared to pay interest at two and half per cent per month Walchand reported the proposal to his uncle

and his father, but both of them signified their disapproval. His father was strongly against Walchand's "falling into such a trap" "Is the family business so insignificant ?" asked his uncle; "stick to it, and you'll go far". They held that there was no guarantee about contract work. But Walchand dug his toes in His father remained all along unmoved; but Seth Sakharam consented out of affection for his nephew to give the sum requested Actually the amount was not so vast, and the risk of losing it was slight. In the event, Hazratkhan made a great success of his contract, and repaid the loan with interest before the stipulated date.

This affair turned Walchand's thoughts into a new channel. He now felt that, given sound financial support, contracts could make a man wealthy quicker than any of the other recognized occupations Although contracts did not belong to that realm of productive activity which he visualised for himself, nevertheless they would afford him experience and build up his economic position until he could afford to venture into new realms Moreover, the attention of an educated man like himself would bring to contracting the prestige which it at present somewhat lacked. He also believed that contracts could bring him many times the amount to be got from money-lending and brokerage He therefore decided that when the time was ripe, he would become a contractor

He did not have to wait long One day he received a visit from a gentleman named Laxman Balwant Phatak (1874-1935) who had served for some years as a clerk under the Railway Executive Engineer He had somehow got through matriculation, and was earning a very meagre salary He was industrious and ambitious, with a sharp mind and keen perception He had a thorough knowledge of how the wheels of railway affairs revolved, what strings to pull, how to manipulate the allotment of funds and turn it to advantage in the right manner and moment Instead of scraping all his life, he had thought of utilising his knowledge for starting his own business He had therefore resigned from service and settled at Barsi, where he successfully conducted some very minor works Such a business offered profits many times greater than those from other jobs; all that was needed was—plenty of capital In his career as a clerk, where had Phatak been able to amass that capital ? The capital of experience and capability he already possessed, but no cash capital. With a financier at his back, he was confident of being able to benefit both himself and his supporter A friend had suggested Walchand's name, and so Phatak called and explained his ideas.

About that time, the Railway Company had prepared a scheme for constructing a regular seven-mile line between the villages of Yedshi and Tadwal, and this work was about to be given on contract. The line would be of an experimental nature, it ran through a backward and lonely tract, and money was to be saved by making it of thirty-inch instead of metre gauge Phatak suggested that he and Walchand should try to secure this contract.

It was the sort of work which Walchand had in mind, and he consulted his father and uncle The scheme was sound enough; but they felt it derogatory that any one from their rich and respected household should accept an employment which was then held in low esteem. And there was a further consideration They doubted the wisdom of locking up their precious money in the very large sum which would have to be locked up in a job which was right off their beat True, Walchand had done a successful deal with Hazratkhan, but that had involved a far smaller sum than the present proposition, and little risk Building a railway line was a very different affair What if expenses should exceed the estimate, or the work fail to be completed in time, or some disputes crop up during the operations? One would have to throw good money after bad, and lose face into the bargain. These were risks which the two older men were totally unwilling to run

Walchand stuck to his guns He personally guaranteed the security of the required sum, and made detailed proposals for the terms of the loan After a lot of argument, Hirachand and Sakharam consented to furnish the capital for the new work It was agreed that the stipulated interest should be paid regularly on the loan amount, and that Hirachand should have a half share in the net profits to be received Some time in October this partnership was confirmed, and the Railway Company assigned the line construction contract to the firm of Phatak and Walchand, after taking the obligatory earnest money This line is known today as the Barsi Light Railway

Walchand had shown the courage to spurn the trader's shop and the banker's stool, and to embark on a business of uncertain returns and poorly regarded by the well-to-do; an unknown business, with an unknown partner. He had nothing to fall back upon, all he had was his own imagination and creative mind, and the administrative experience of his partner. Yet these sufficed to send him onward to start his new life.

Since he was a boy, he had heard, "Where brave hearts dwell, Good Fortune lives as well," and he believed in it. It was an answer to those who criticized his daring plans "Let me give it a trial", he would declare The time for doing so was at hand.

4.

THE TURBAN FROM SHOLAPUR

THE contract work commenced with great enthusiasm and despatch, and Seth Sakharam, keeping his promise to his nephew, began to pay in the requisite funds What a time it took to assemble the tools, the materials, and the personnel! Phatak polished his spectacles and stayed on the spot, heeding neither heat nor thirst nor hunger, and never taking his eyes off the work; he was like a kite which rides the sky but ever watches the ground He never expected Walchand to emulate his close attention to the work, he would have felt fully satisfied if Walchand were simply to perform his trick of keeping the funds steadily and adequately flowing

But Walchand had other ideas He had not entered this profession just for a twopenny profit He intended to learn the job from A to Z He must understand the principles and processes of construction, the tools and materials, by study on the spot Not for him, the role of a boss who spends all his hours worrying about how to get the most work done in the shortest time at the lowest cost Such was in fact the role which Phatak at first probably expected of him, and the expectation was reasonable enough How could this gently nurtured rich man's son stand all day on the exposed thorn-studded plain, in the everlasting cloud of dust where the coolies piled their stones, beneath the chips which the stone-cutters' hammers sent flying in all directions, amid the splashes of mortar flung by the trowels of the working masons?

Phatak was mistaken Walchand stood at his side at the site of work, getting him to explain each stage of it. He listened attentively to all the requisitions from the railway engineer who had come to inspect the construction; and if this official pointed out some error, Walchand would ask him to show how it had occurred and how it could be rectified He grudged neither effort nor expense to see that the work should be flawless and satisfying Having no master-

servant or superior-inferior complex, he mixed with the labourers, encouraging them by his jolly conversation; and if he discovered any man at fault, instead of flying into a rage he would smilingly point out the mistake, in such a way that the man would concede Walchand's point without resentment, and promptly set about putting matters right. Walchand's speech was normally playful and jolly, but sharp when called for, and it never failed to have the desired effect upon his labourers and co-workers. On rare occasions he might utter something very abrupt; but his nature was open and nobody took it to heart.

Having to move up and down a length of seven miles while supervising the work, he hired a pony. Today's cars were then neither cheap nor available, and the ground was too rough even for bicycles. The pony was of a very small stature, whereas Walchand was tall as a pole When he bestrode the pony, his feet touched the ground, and he had to pick them up when he rode, which he did at a slow pace On account of its stunted size, he called the pony "Dwarfie" A friend who saw him riding Dwarfie composed a humorous rhyme about it:

> His voice is cracked with that old 'Gee-up' refrain,
> And his hands are tired with jog-joggling the rein

Such was Walchand's Dwarfie, whom he never got rid of nor neglected He was temperamentally disposed to avail himself of whatever means came to his hand at any time; he was never defeated by failure to get his first choice.

Phatak and Walchand completed this Barsi Light Railway work in an excellent manner, within the agreed period. The contractual amount was Rs 80,000; but considering the cost and the labour involved, there was not much profit in it. However, the experience gained in this work was of incalculable importance, and gave Walchand the self-confident feeling that he could carry out such jobs faultlessly and dependably.

It was in this spirit of self-confidence that in 1905 he came forward with a tender when the G.I.P. Railway (now the Central Railway) proposed to quadruple the track between Bori Bunder and Currey Road There were many keen tenders from Bombay, and Phatak did not believe that Walchand would succeed, with all that competition nor, even if he did, that they two would be able to carry out the work. But Walchand was full of eagerness and

assurance. He told Phatak, "You stay at Barsi and look after that end, while I take care of Bombay", and he took sole responsibility for the new work. He made all-out attempts to get the contract, and succeeded. On hearing of his success, many of his rivals became jealous One tenderer even had the audacity to give him this nasty warning: "You just watch out! This is Bombay, not Sholapur There's no work here for country bumpkins. The day will come when you'll have to sell that turban from Sholapur that's on your head." Walchand made no reply: he just smiled.

His nature was such as neither to be discouraged by abuse and opposition nor to be led away by praise and adulation That big tenderer's jealous taunt merely created in Walchand a sort of obstinate determination He considered it a clear challenge to his ingenuity and creative ability, and he set about the new task without delay Railway work was a mass of technical and official complications, but Walchand adroitly managed to co-ordinate the various departments by taking expert advice at every stage and getting the help of knowledgeable persons, and thus to get things done within the allotted time

As Walchand stood just on the threshold of a successful business career, a spirit of fresh eagerness took hold of him He had already taken a bold step or two, when suddenly tragedy struck in his personal life. Soon after giving birth to a daughter Chaturbai[1] on 5 August 1907, his wife Jiubai breathed her last, leaving a void in his life which long remained unfilled For six years he never thought of marrying again After that, it somehow happened that his marriage was brought about with Kasturbai, who was the eldest daughter of Nanchand Jaychand Mehta, a rich banker of Gulbarga, and was also the niece of Walchand's step-mother Sakhubai During all the intervening six years he had wholly concentrated on his new activities, leaving himself no time to think of such things as happiness and comfort

So satisfactorily had Walchand done the quadrupling of the Bori Bunder-Currey Road section, that the Railway authorities viewed him with considerable favour; and when presently they took up the Harbour Branch Scheme, and the quadrupling of the line from Currey Road to Thana and Thana to Kalyan, it was to Walchand that they entrusted the work. Of these three works, that of the

1 Now Mrs Kusumbai Motichand Shah A graduate of Bombay University, she was married in 1928 to Motichand Gautamchand Shah, who was the son of Walchand's elder sister Kankubai, an energetic industrialist, and one time Sheriff of Bombay She is well known as a lady of much learning and refinement, showing great zeal for social uplift

Harbour Branch line (1910) was particularly onerous and risky, and involved the locking up of considerable capital for a long time; it would prove a test of ingenuity and skill. The section from Reay Road to Kurla was of uneven level, full of elevations and deep depressions, swamps and ponds No line could be constructed without first levelling the entire length to be occupied. For this it would be necessary to excavate some hill at Sewri or suburbs like Vikhroli and Bhandup, and carry the soil to fill up the pits; in some places land would have to be built up after draining off the sea water; and a rough road would have to be made for transporting the soil, stones and other material needed for construction In those days there were only bullock-carts and hand-carts; there were none of to-day's vehicles powered by steam, electricity or oil Filling work had to be done by hand, with soil carried in head-loads In the light of all these obstacles, all the tenderers had decided to quote rates above the normal

Walchand got wind of this With considerable shrewdness and some earnest soliciting, he obtained a rough idea of those rates All the tenderers planned to charge a rate of four to six annas per cubic foot of filling Of the present tenders, earth filling would be the most costly item As soon as he began to cast up his figures, Walchand saw that if he could quote two annas or three, he would be likely to get the contract If the Railway would help him with wagons he could do the work more cheaply and quickly—and still make a handsome profit Not one of the other tenderers had conceived the possibility of the Railway giving essential facilities for the filling work No sooner did the idea occur to Walchand, than he was off to investigate

Just when the above idea was striking Walchand, a circumstance occurred which would facilitate its realisation Every day, goods trains had been bringing manganese and manganese earth from far up-country to Bombay, for trans-shipment abroad; but for some reason or other, the carriage of manganese had recently been stopped for good There were thus a large number of open wagons which had been kept ready for carrying manganese, and were now lying idle, while the specially laid sidings were on the way to becoming unserviceable for want of use So much Walchand had learned from a clerk in the office of the Transportation Superintendent In a flash he asked himself, "What objection should the Railway have to letting me use those wagons and rails? They will receive rent, besides having their work expedited!"

Walchand did not let the grass grow under his project's feet. He lost no time in verifying his information by a call upon the Transportation Superintendent As soon as he had cleared the facts, he took into confidence the engineer in charge of the Harbour Branch Scheme, and conveyed his idea to him He assured that official that if the Railway would grant him the facility which he asked, they would be greatly benefited and have their work done quicker; in addition, he could do the job for much less than the sum which the Railway had earmarked for it. The engineer had not heard about the large number of idle wagons, but on enquiry with the Transportation Superintendent he found that Walchand's information was correct. He at once forwarded Walchand's proposal to the Railway with his own recommendation, pointing out that the Railway would be benefited thereby and also recoup its losses from the rent The Railway agreed to give effect to the arrangement suggested by Walchand.

On receiving the Railway's assurance of help, Walchand experienced a wave of enthusiasm He purchased earth, sleepers, metal, and land from the adjoining villages From Reay Road to the Kurla level crossing, the Railway was to assist him with transport; but how was he to get stuff from Bhandup to Kurla ? Walchand decided he would have to build his own narrow gauge railway for that distance, linking it up with the Kurla crossing He took the opinion of railway engineers, plotted the line, and bought just sufficient land to carry it. It was only when these preliminaries were completed that he was ready to sign the agreement with the Railway.

Meanwhile a difficulty had arisen On reading the Railway solicitor's draft agreement, Hirachand was flabbergasted at the stringent terms incorporated therein, which tied the contractor hand and foot. Hirachand could not accept them, and refused to sign as a surety. Under such terms he feared that his family could be utterly ruined There was also a further reason for his refusal. On completing the Barsi Light Railway work, Walchand had taken the lease of a mine in Goa This lease was left on his hands, resulting in considerable loss Hirachand must therefore have judged it prudent to keep aloof from his son's fool-hardy enterprises.

Walchand made all sorts of desperate attempts to persuade his father to relent When he finally realised that Hirachand was adamant, he was obliged to deliver the following ultimatum: "We have spent so much over the preliminaries that unless we get this contract, every pice of it will go down the drain; on top of which.

our name will be mud. We shall never be given another job of this sort. And remember that all that we have earned with our sweat, all the trust we have made people feel in us, will be lost for ever." These words made his father ponder deeply At last, with great reluctance, he affixed his signature as surety. The difficulty was now surmounted

Scarcely was the ink dry on the agreement, when Walchand, without an instant's pause, plunged into the work. Next day, a Railway engineer came to see what arrangements the contractor was making To his utter amazement, he saw hundreds of coolies working busily, a continuous chain of railway wagons carrying earth and being promptly emptied, and trained engineers in various sections systematically and skilfully directing the work Never in his life had he seen such prompt execution, and he was convinced that Walchand was a man of his word.

Within a few months, Walchand completed operations which the Railway had estimated to take years. He not only reduced the time and cost of the Harbour Branch line from Reay Road to Kurla, but netted an ample profit as well He had done this, not by waving a magic wand, but by discarding out-of-date methods, implements and policies, by employing experts whose methods, tools and policies were up-to-date, and by adopting a far-sighted policy based on an appreciation of the situation.

That old jealous taunt about "the turban from Sholapur" now gave place to "He came, he saw, he conquered. He has left Bombay with a royal turban upon his head!"

For many decades thereafter his rivals and admirers kept remembering the significance and weight of the Sholapur turban!

5.

TAKING LADY FORTUNE BY STORM

LAXMANRAO PHATAK and Walchand Hirachand had now brought their joint business to a highly flourishing state, and thanks to their splendid success in railway contracts, their fame in contracting circles was growing daily like the new moon At the same time, their credit and renown were increasing among the moneyed classes Everybody felt confident that whatever work Phatak or Walchand took up, would be done on time and according to specification

Like Walchand, Phatak took up several works outside Bombay; the construction of the Barsi Light Railway up to Latur, and the building of a rail bridge across the Bhima River near Pandharpur, were examples of his important achievements By 1912 or so, the partnership of Phatak and Walchand had won such a name for contracting, that instead of their looking for jobs, fresh and substantial jobs often came looking for them Two outstanding instances are the contracts for erecting military quarters at Sion-Matunga and at Belgaum

The first World War was being fought Government was in a tremendous hurry to get barracks built for temporary quarters at several places Expense was no consideration, but the time element was crucial They would take anybody who could do a fast and decent job The military officers were often ready to agree to any rates that might be quoted, since it was time and not expense which mattered to them Most contractors were unwilling to take up such rush jobs At such a critical juncture officers used to remember Walchand When the construction work for barracks at Sion-Matunga came up, not a single contractor would touch it. But when Walchand was approached, he agreed at once The contract was worth fifteen lakhs of rupees and he finished it within six months

Walchand received good help from his cousin Amichand Daluchand Shah, who had been his childhood's school-mate Amichand

shared all Walchand's ideas and plans, and minded the work as devotedly as though it were his own. Walchand later turned Amichand's industry and devotion to good account. He gave him ever more and more responsible work in his office organization, until he made him the chief executive In 1919 he made Amichand a director of the Company, and a man who had started as a clerk on a salary of forty rupees per month, now earned four figures—in addition to bonus totalling nearly three lakhs during the period of his service. Amichand recognized Walchand's power of appreciating merit, and devoted himself to his employer's service day and night. Later on, when Walchand was modernizing his business by mechanization, Amichand found himself out of water, his nature being such as to carry on, so far as possible, in the old ways "I'm an earth and stone man", he would sometimes say, half in jest and half in earnest; "I can't understand your machines What's the sense in you and me going crazy? It'll be better if I retire". And one day in July 1935, he did retire of his own accord, and spent the rest of his life peacefully in the house which he had built for himself at Matunga

Amichand was three or four years older than Walchand His outstanding qualities were prudence, level-headedness, a business outlook, and devotion to work He was like Walchand's shadow People who noticed this would often ask, "Why do you keep Amichand so close to you?" To which Walchand would reply, "Ah, he's my governor—he's my brake. Whenever I start running too fast, he pulls me up!" Walchand knew that paid servants could be had at any time, whereas hard-working and loyal men like Amichand were difficult to find He did his best to dissuade Amichand from quitting, but in vain It was the competence of helpers like Amichand that led Walchand's business to rapid expansion

As suddenly as the Sion-Matunga Quarters had done, the Belgaum Quarters work also fell to Walchand. The Military Engineer at Poona was most insistent that he should accept this work, saying, "Don't waste a minute in thinking and discussing and all that; just grab your top men and get to Belgaum at once; I'll come along with you" Walchand promptly called his assistants and left for Belgaum in company with the Engineer.

At Belgaum, no accommodation had been arranged, but Walchand thought he might occupy the Railway Waiting-room for one day and then decide upon his base of operations On arrival, however, enquiries showed him that there was no question of his

accommodating his staff in the Waiting-room just then, since the Governor of Bombay with all his entourage was to visit Belgaum on that very day, and so neither accommodation nor meals could possibly be provided. While thus faced with the question of what to do next, Walchand remembered an old friend of his Deccan College days, Diwan Bahadur Annasaheb Latthe, who was then practising as a Pleader. Since leaving college, neither of the two had met or corresponded. Resolving to meet Annasaheb first, and thereafter decide according to his advice, Walchand hired a tonga to get to his residence. Telling the rest of his party to wait a while at the Station, he ascertained Annasaheb's address, and set off

On the way, he chatted to the tonga-driver about how much the tonga and the horse had cost, how much the driver earned daily, how much it took to feed the animal, and so on The man spoke freely and painted himself in glowing colours "Splendid, splendid !" commented Walchand. "Now, if I decide to buy your horse and tonga, how much will you want for them ?"

The driver sensed a joke "What's a businessman from Bombay doing", he thought to himself, "buying a tonga ? He must be asking just for fun, of course. Well, I must throw him a price of sorts." Aloud he said, "Saheb, you can have this horse and tonga for three hundred rupees."

"Done ! Consider them sold. Now I want you too , I'll pay you whatever wages you ask" Walchand took the money from his pocket, and handed it over to the astounded driver

Soon after, with his newly acquired tonga, horse and driver, Walchand presented himself at Annasaheb Latthe's door. Seeing him standing there, with no prior intimation of his visit, Annasaheb was greatly astonished After a moment's confusion, he collected himself ; he went to meet Walchand with a smile, and led him indoors with solicitous affection. After the guest had partaken of tea, bath and food, the host said, "If there is anything I can do for you, don't hesitate to tell me."

Walchand explained the purpose of his visit to Belgaum, adding "If possible, I want to rent some bungalows at once, to accommodate the people who have come with me Please see if you can arrange anything in that way" Annasaheb undertook the business with pleasure, and within a few hours he had secured suitable bungalows. Walchand sent his newly-purchased tonga to the Station, and transported his staff straight to the bungalows which he had rented Ere

the sun set, he had assembled all the labourers, vehicles and materials which he would need.

Before the work could begin, it was essential to decide in whose jurisdiction the work site lay—the Garrison Engineer's or the Public Works Department's—and to obtain the consent of the officer or department concerned. To obtain such a decision would take considerable time, with many men being kept idle. And the job was urgent "Let that decision wait", Walchand told himself "If any objection is raised, we may perhaps have to pay compensation. No matter! We've got to get on with the job at once." Next day, the work started

In his heart, Walchand was convinced that the Army's need and the importance of the work would insure him against all such risk His character was of the kind to make lightning decisions without worrying about possible consequences, and so he never thought twice before taking the bold course Experience had taught him that when one does a job earnestly and systematically, one's difficulties vanish of their own accord And this is what frequently led him to follow his own decisions against the advice of his partners and assistants. In the Belgaum affair, his estimate proved correct Without encountering objection from any quarter, he completed the whole work to the Officer's satisfaction, thereby acquiring for himself both profit and renown.

The same story was repeated in another place in 1917 During the Great War, for receiving wounded troops and prisoners of war, the British Government wanted to have barracks and a hospital rapidly constructed at Deolali, also roads with drainage gutters—all at three months' notice! The military officer told off to get this work done, was in a tremendous hurry, but felt that a contractor of Walchand's type could do it in the allotted time He conveyed this view to his superiors at Simla, whose consent he had no sooner obtained than he opened negotiations with Walchand

The terms of the contract were exceedingly stringent. The deposit amount demanded was almost impossibly large, and Government were not prepared to accept Walchand as sole depositor, but required that his father should pledge his whole estate for the purpose On seeing the stiff terms and conditions, Hirachand could not agree to sign the document of guarantee, and he expressly warned his son about the serious risk of accepting any such responsibility. His views were shared by Walchand, who used to call contracts of this type "Slavery Bonds" He felt strong resentment, and

repeatedly vowed that he would not sell himself by signing such an agreement. And yet at the same time he knew that anybody who has once adopted the contractor's profession, must be ready to put his head into this sort of noose. His experience of British military officers hitherto had shown him that their strictness was tempered by a spirit of generosity and good-will In the light of this experience, he promised his father "If the question of financial loss arises, I will shoulder it by myself and not let it affect you" In addition, it is said, he transferred from his own name to his father's name the insurance policy for a very large sum Now Hirachand could no longer refuse, and he indicated his willingness to sign the guarantee.

The new work would lock up a considerable sum of money, more than Walchand had available at the time Looking around for support, his eye conjured up the vision of Narottam Morarjee, whom he accordingly approached. This gentleman, with no beating about the bush, promised him thirteen lakhs of rupees from Morarjee Goculdas and Company, and as soon as a regular agreement[1] was drawn up, handed over the amount The agreement stipulated that Morarjee Goculdas and Company should receive interest at one per cent per month, together with a quarter share of the future profits in cash. This help from Narottam Morarjee in the nick of time was invaluable, and gave Walchand courage to take the present bold step As soon as he had settled the requisite sum of money and the document of guarantee, he took train for Deolali in order to inspect the site.

Alighting at the station, Walchand proceeded on foot to inspect the site where the barracks were to be erected He found an open plain with no amenities whatever, not even a lone hut to give some shade; no facilities for getting labourers, vehicles, construction materials; just literally—nothing He returned to the station, where he summoned a tonga and told the driver to take him to the nearest restaurant During the ride, he talked to the tonga-driver exactly as he had talked to the man in Belgaum This tonga he bought for five hundred rupees, fixed the driver's wages, and took him over. As they proceeded, he bought four or five more tongas like the first, on

1 The agreement, which took the form of a mortgage by Phatak Walchand and Co, in favour of Morarjee Goculdas and Co, is dated 9 March 1917 It bears, alongside the signature of Phatak Walchand and Co, the signatures of Walchand, his father Hirachand Nemchand, and his cousin Raoji Sakharam as partners of Walchand and Company, being Managing Agents of the former Company Walchand scrupulously observed all the terms, paid up the whole dues after one year, and redeemed the mortgage on 3 April 1918

behalf of his driver, at prices ranging from two to three hundred rupees. Presently, all the tongas were halted outside a restaurant Walchand entered, to be served with tea worse than bitter medicine, accompanied by biscuits fit to test the strongest teeth As he chewed the biscuits and gulped the tea, he asked the proprietor, "Say, is there a decent house to let, round about?"

Guessing him to be some wealthy gentleman come for a change of air and looking for a house, the man pointed to a bungalow opposite, saying "Yes, there's one to let The rent will be reasonable."

Walchand inspected the bungalow inside and out. He returned to the restaurant and asked the proprietor, "Who is the owner?" "I am", came the reply "Well, now, that's excellent", cried Walchand, refusing to bargain although the rent asked was above the normal He took possession of the bungalow, along with half a dozen neighbouring bungalows, at whatever rent was quoted Within a couple of hours of getting down at Deolali, he had succeeded in finding vehicles and drivers, servants and house accommodation While leaving Bombay he had instructed his staff to keep themselves ready with all their stuff, and had left a list of all requirements with a merchant. It was understood that on receiving telegrams saying respectively "Start" and "Send", his men would immediately start and the merchant would despatch the goods ordered without a moment's delay. Both parties instantly responded to his two telegrams

A place like Deolali had no facilities for building barracks and a hospital in the brief space of three months, but nevertheless Walchand briskly completed the work The military engineer expressed his satisfaction, and told him to collect his cheque immediately, in payment for the work

Walchand proceeded to the office, his face alight with joy at the success of his efforts, and his heart singing with happiness over a job well done The Chief Officer wrote out the cheque and was about to sign it, when a frantic message arrived: "The roof of one barrack has collapsed!"

The cheque remained unsigned Walchand's heart was in a flutter, "This means total ruin", he told himself. His beams of joy were quenched on the instant, leaving his features clouded over at the thought of his terrible predicament He was plunged in a trice from happiness to despair

The Chief Officer, the Engineer, and Walchand all ran to the scene of the accident and made a thorough investigation The

collapse was due to no faulty work, but to some extraneous cause, for which the Engineer attached no blame to Walchand. "Just build the roof again, and that will do," he said; "no need to hold up the cheque just for that"

Walchand breathed again. Without losing a moment, he put his workmen on the job and rebuilt the roof He received his cheque in full, and once more his face beamed with joy, unclouded by thoughts of any terrible predicament His despair vanished like mist before the sun of happiness renewed. But he never forgot that dreadful mishap which had threatened to hurl him and his family into the abyss of ruin In after life he used to admit that he could never think of it without shuddering

Unforeseen incidents of this sort used to occur in his life from time to time, since he believed in "taking a risk", and was ever ready to undertake work which nobody else would touch

To the same year 1917 belongs another affair, comparable to Deolali and yet different; this was the Cantonment of Kirkee, where new buildings were to be constructed for the Ammunition Factory Walchand knew nothing of the matter until one day at Poona Station, when about to leave for Bombay, he happened to hear from somebody about the job Cancelling his journey, he returned to the City and called on a friend named Ranade, who was in the same profession, and got information from him about the Kirkee problem. The site for erecting the new buildings would first have to be cleared of enormous rocks by blasting, and tenders had been invited for this work The usual rates were from six to eight rupees per brass · but owing to the peculiar circumstances, everyone considered the work dangerous, and the military officer was prepared to raise the rates to ten to twelve rupees Owing, however, to the site's proximity to the factory in which ammunition was actually being prepared, any accident which might occur through some chance error in the blasting work, would result in an appalling disaster. No contractor was willing, despite the enhanced rates, to take up the job

Walchand's brain set to work As he dined with Ranade that afternoon, he mentioned a method which had occurred to him; but his host's cautious mind fought shy Seeing this, Walchand said to him, "In case I take on this job, will you help me as my temporary partner ? I'll provide the money, the scheme, and shoulder the entire responsibility; you simply provide your own engineers, the tools and the labour force I'll attend to securing the job and finding a way to get round the danger"

Ranade at first refused "Don't get entangled in this business," he advised ; "don't meet trouble half way." But Walchand was not to be put off He smilingly insisted, "My good Ranade, do you remember the proverb 'Fortune favours the brave' ? Only the brave are lucky Our elders always tell us, 'Sharpen your wits and take Lady Fortune by storm'. When we think of this advice, should we not follow it ? What are you scared of ? If anything goes wrong, I'm there to face it ; I won't let it touch you You've got some young engineers under you ; let me have just those to help me. Let them learn something fresh A contractor's job isn't all roses ; sometimes it's highly dangerous, with a threat of total ruin. But let them learn just once, from actual experience, that we contractors have to be prepared even for that "

Ranade argued for a long time, without convincing Walchand. At last, seeing his guest's determination, he consented to give his engineers, workers and tools to help Walchand.

Directly he got Ranade's promise of help, Walchand went to Kirkee to meet the officer-in-charge, taking with him a young engineer from the Ranade family This officer was holding his office in a tent. About to enter, Walchand saw in the doorway a young clerk from Mackenzie's, a famous European company in Bombay which did a lot of business with contractors. The young clerk was waiting for his boss, who had gone into the inner tent to talk to the officer Walchand, of course, had to wait outside until that boss had finished his talk Meanwhile he began to chat with the clerk, from whom he found out what were the difficulties about the blasting in the present case At once he began to consider how these could be overcome, and as soon as the gentleman came out, Walchand wished him a smiling good-afternoon and stepped briskly inside

The officer was familiar with Walchand's name, and welcomed him with pleasure He was in a hurry to get the job done, and had been somewhat disappointed to find that nobody would accept the responsibility of the blasting work He could not afford to wait any longer, and failure to get the thing done on time would inevitably mean a reprimand from his superiors at Simla He had not a day to lose Walchand deduced all this from the conversation, and made the following offer : "Now I have a clear idea about the work, the conditions and the urgency. I'm prepared to take on the job ; only, you will have to pay me at thirty-three rupees per brass " He went on to explain why he was demanding almost five times the basic rate, and how it was justified He laid his plan of action before the

officer, and won his approval

"I'm with you," said the officer, "but I must get Simla on our side. They will have to approve these rates."

"The work must start urgently, I believe", observed Walchand; "so you send an Express telegram to Simla right away, and ask for a reply by return"

"I'll get word from Simla and give you a definite reply this very afternoon", declared the officer, as he went out for his lunch As soon as the officer had left, Walchand told young Ranade, the engineer who had accompanied him. to collect his labourers and tools at the appointed spot right away While he was fetching these, Walchand, without waiting for the officer's confirmation, began his initial preparations, completing them within two or three hours Meanwhile the officer had wired to Simla and persuaded his superiors to accept Walchand's rates He sent Walchand a message to this effect, to which Walchand replied, "The work has already started Set your mind at rest" When he saw that Walchand had made a start even in anticipation of the agreement, the officer was as delighted as he was astonished

Walchand accomplished the rock-blasting with speed and efficiency, yet without permitting a shock to any of the adjacent buildings Having none of his own labourers or implements with him, he employed whatever men and materials came to hand, with great ingenuity, thanks to his inventive mind, and thus brought his undertaking to success.

He who keeps his wits always razor-sharp, achieves both victory and strength When a man harbours an inventive brain, ever keen and fresh and creative, Success clings to him always like a faithful comrade Such daring spirits make fine examples of men who "sharpened their wits and took Lady Fortune by storm"

6.

FORWARD! ALONE!

OBSERVING Walchand's success in railway and military construction work, and hearing him well spoken of, Municipal, Public Works and Port Trust authorities began to offer him work of their own accord. In 1914-15 particularly, he was flooded with such work It was during that time that he constructed the cement concreete chawls for the Labour Camp near Dadar's Kohinoor Mill, as well as at Dadar, Matunga and Mahim (where today Tramway Company's workers are housed and its workshop is conducted) In order to make himself independent and self-sufficient as regards his daily requirements of iron and steel and the like, he purchased the Napier Foundry[1] in Foras Road In this way, the area of his business operations went on increasing

Walchand was of the type whose mind is totally imbued with the philosophy of action It was this philosophy which brought to his activities their qualities of power, swiftness and endurance Men in whom this philosophy is ever alert, tend to translate their ideas into instant action Initial difficulties can neither crush nor confuse them; indeed, they refuse even to notice such things. It is this philosophy which forms the mainspring of their life's course, which drives the current of their life relentlessly onward It allows them no time for introspection and changing their life's current; nor do such men greatly care how much or how often that current changes in the pursuit of their ideals. They are untouched by the thought of disease, disaster, death; such things they seem contemptuously to toss aside, as they follow their chosen path

For men of this type, there are no bounds to the operational areas of their outward life; their minds are occupied at a time with a host of matters; their busy hands are speeding all sorts of projects

1 He bought the foundry on 29th June, 1916, with the land, building, machinery and finished products, for Rs 1,60,000

simultaneously, in all sorts of places They know how to discuss various subjects with different persons at one and the same time; how to draw up diverse plans and skilfully watch their carrying into effect, no matter how divergent they may be. Their thinking is comprehensive and all-embracing, and considers things from many angles. Their capital is the ability to be abundantly alive; it is a capital which they are skilled in applying for the harmonious realisation of whatever business they have taken in hand. Thanks to their indwelling qualities of balance, persistence, flexibility and steadfastness, no adverse circumstances can deflect them from their purpose At the same time, an excess of these qualities can prove destructive of action rather than conducive to it, it is necessary, therefore, to preserve the skill to keep them in due balance, through restraint and discrimination. The man who can do this, will be efficient and successful to the end of his days He can prove a force to uplift his family, his community and his country, while his incomparable mental efficiency brings happiness and increased prosperity

Walchand's mind and mental make-up were constituted very much on the lines of what has been described above, and hence his personality has to be sharply distinguished from the personalities of many of his contemporaries in the industrial field This sharp difference that was in him remained more or less unperceived, not only by the members of his family, but also by his partner who had entered the world of contracts along with him—Laxmanrao Phatak. Had it been perceived, on all those occasions when he struck out boldly in response to his inner urges, and followed his star without waiting to think of the circumstances and the ultimate outcome, those persons would never have opposed him, nor entertained doubts of his success Granted that his family's blindness followed naturally upon ancestry and traditional thinking, it is none the less astonishing that the truth should have escaped gentlemen like Phatak, whose role of assistance brought them into constant touch with Walchand It would seem as though they lacked the intellectual capacity to recognize the strength that reposed in Walchand

Phatak's mental make-up, nature and business outlook were not the same as Walchand's Having noticed that there was a greater opportunity of making money in a profession than in service, the ambition to better his fortune led Phatak to exchange the clerk's desk for the contractor's office. At first he was without the credit, property and prestige required for this profession, and that is chiefly

why he joined hands with Walchand. In these circumstances, he never felt it necessary to make any fine study of Walchand's virtues or failings, strength or weakness, far-sightedness or short-sightedness. The work came in steadily, his pockets were filled beyond his expectations, and he was satisfied.

As time went by, however, the more Walchand ventured into fresh fields, the more the fundamentally clerk-souled Phatak became a prey to uneasiness and doubt. In spite of having been associated with Walchand for a number of years, and having made a very decent pile, he could not reconcile himself to the risks of the game He began to fear that one day Walchand's rashness would cost him (Phatak) everything he had won ; and this fear was not entirely groundless The casting plant[2] which Walchand had started in his Foras Road Napier Foundry, was running at a loss. Actually, in a project of this sort one has to be prepared to face loss in the initial stage If one hangs on with courage, the loss will be made up and gradually turn into a profit It calls for loss in the initial stage If one hangs on with courage, the may crop up This is something which the Maharashtrian, with all his ingenious and subtle brain, is usually for the most part unwilling to do , and why should Phatak have proved an exception ?

On observing that Walchand was doing his best to run the Napier Foundry even at a loss, Laxmanrao Phatak began to consider the advisability of steering clear of his partner As soon as Walchand became aware of this, in order to safeguard either's private property and to limit the financial burden, he converted the private firm of Phatak Walchand into a limited company with a capital of Rs 3,55,000 ; this was in 1915[3] This capital was divided into 355 shares each of one thousand rupees

Walchand expected that with the conversion of the private partnership into a limited company, Phatak's uneasiness would diminish ; on the contrary, it increased Phatak saw how Walchand

2 Here he manufactured brass iron and cast-iron components for buildings He specialised in baling machines for cotton, cloth and hay, and mortar-mixing machines , also cast-iron spiral staircases, railings, pillars, pipes and channels

3 The members of the Managing Board were (1) Hirachand Nemchand Doshi, Chairman (he retained his membership of the Board till 1925, when he retired and was succeeded as Chairman by Walchand), (2) Walchand Hirachand, (3) Raoji Sakharam Doshi, (4) Laxman Balwant Phatak, (5) Ganesh Balwant Phatak (in place of the Phatak brothers, who retired in 1917, Gulabchand Hirachand and Amichand Daluchand Shah were elected) The Managing Agency was assigned to Walchand & Co The office of the company and its agents were at first at Jambulwadi in Kalbadevi, and later at Love Lane in Mazagaon

was constantly widening the scope of his affairs, and taking up work of which he had no experience, such as the coal-mine at Mohapani[4] He therefore thought it would be better to dissociate himself from the company.

"My health is not good," he now suggested. "And moreover, my having to be constantly on tour prevents my attending to my children's education; for which purpose I have decided to settle down permanently in one place I want to sell my shares and be freed from all obligations to the Company."

To this, Walchand tentatively replied, "If your health forbids it, I will not put any business responsibility upon you By all means settle down wherever you like But don't let that make you sell off your shares and leave the Company for good; there's no need for that."

But Phatak would not give in. Although the newly formed limited company was so flourishing as to pay a dividend of 30 per cent in its third year, Phatak severed his connections with it in 1917

Although Phatak had resigned his partnership on the plea of getting rest and finding time to supervise his children's education, yet he did not retire from business, but carried it on by himself Contracts he took, of course; but he also went in for film production and distribution,[5] a motor-tyre selling agency, a motor repair shop,

4 This coal mine, owned by the G I P Railway, was at Mohapani seven to eight miles from Gudarwara Station in the Central Provinces Walchand took the contract to work this mine in 1917, and extracted 50 per cent more coal from it than the Railway had extracted in the preceding ten years Even at that, this contract was not considered particularly remunerative at that time, as is seen from the following remark in the 1917 Report of Phatak Walchand Ltd

"This contract has not yet proved paying to your Company If the Railway will agree to give us more free hand and control we believe the output can be increased much more in which case alone it will pay your Company"

The lack of proper provision for corn-grinding and firewood kept labourers away from the mine, and hence the Railway had decided to close it down Walchand took the matter up enthusiastically First he decided to find out what were the miners' difficulties He brought a servant from his household at Sholapur, and appointed him Mine Overseer, telling him to ascertain the workers' difficulties and discover why they were reluctant to come This man accordingly found out that the women miners became so exhausted by the evening that they could not grind their corn, and since there was no flour mill, there was no way to get the grinding done Great difficulty was felt about firewood also The miners were much harassed by the police of the adjoining Datia State With no flour, and no firewood for making *chapatties*, the people had no desire to come for work

Walchand thereupon ordered two corn-grinders from Bombay, and arranged to grind the miners' corn free of cost He also negotiated with the Datia State, and arranged for the supply of firewood After all this was done, workers came forward in ample numbers, and labour shortage was never experienced thenceforth

5 He became a partner in Dadasaheb Phalke's Hindustan Film Company; later, in collaboration with Kale, he built a cinema theatre in Nagpur

and other activities. Once he even made a business trip to England. And yet, with all these activities, in comparison with Walchand, he does not seem to have reaped any striking financial harvest He did not possess Walchand's habit of instant decision in all cases and getting down to work at top speed "His concerns went on at a gentle pace, and much of his time was spent in chewing them over" Thus it happened that many an opportunity of money-making was allowed to slip Despite Phatak's severance, the name "Phatak and Walchand" was retained With a lot of new business, in 1918 and 1919 the Company made brisk profits, out of which Walchand utilised a large share for the purchase of up-to-date high quality machinery, which was extremely useful and necessary for his construction business He wished to demonstrate to the Government, as well as to organisations like the Railways, that he could turn out work equal —indeed superior—to that of European firms[6]

At the end of 1918 (on 11th November) Europe's four-and-a-half years of war came to a close Industry expanded and reorganised itself; wider means of communication were offered, governments and peoples began to think in terms of extending the large cities and taking other action, in view of the growing population; and for all these, plans were gradually shaped

Walchand shrewdly perceived that here was a splendid opportunity for further enlarging his sphere of business and giving full rein to his natural bent towards action The end of the war period in Europe saw the end of the early period in Walchand's industrial activities His mind was now engaged in thinking about the opening of his new period of industrial expansion

Gone was the colleague who had been at his side for over a decade, from the time of his first steps in the realm of industry. Now in his thirty-sixth year he would have to go ahead, carrying the whole burden on his unaided shoulders. Aided or single-handed he was ever prepared to march patiently and resolutely on For his motto was. 'Forward! Alone!'

6 At this stage, Walchand's stock of implements and machinery was as follows.
7 miles of light railway track 200 tipping wagons, 50 flat wagons, three 30 H P engines, one steam crane of 3 tons lifting capacity, one 36 H P Hornby-engine stone-crusher, one 10 H P vertical boiler, 5 oil-driven centrifugal pumps, 3 Worthington pumps, 18 Contractor rotary pumps, one 81-foot steel derrick of 10 tons lifting capacity, 2 mechanically-driven motor mills, and in addition several types of large and small machines and implements
(See Somerset Playne The Bombay Presidency, The United Provinces, The Punjab, etc, Their History, People, Commerce and Natural Resources, p 303)

MIDDLE PERIOD

1919-1939

1.

UNLOOKED-FOR CHANCE

THE War was over; Europe's Allied Powers were the victors; their German foe lay defeated What they could not defeat were the appalling social and economic conditions arising from the collapse into utter destruction While the edifice of these nations' glory had not completely crashed, its foundations had been disturbed and weakened by the shocks of war It would have needed but a slight extra shock, to bring it down in a trice On the surface all was placid; and yet a fire of discontent was smouldering in the heart of Europe's peoples, so that one would think the whole continent to be on the brink of a volcano The German, Austrian, Russian and Turkish empires had crashed and crumbled into dust, and the different races long chained beneath their yoke were seeking to liberate and unify themselves An area like Poland, peopled by citizens of one language and one blood, was given territorial shape and formed into an independent nation All the Slav peoples who had been yoked to the Austrian Empire, were trying to form their own kingdom In Russia, the burial of Czarist rule had been followed by the birth of an egalitarian democracy, which cherished the ambition of erecting a new society upon new economic foundations and a new political ideology

The arrogance expressed in such boasts as "The sun never sets on the British Empire" and "Never shall the waves rule Britain, but rather shall Britain wholly and in unbounded fashion rule the waves" received such a jolt as never before. Observing all that was taking place in Europe, Britain began to search her soul and take thought for her future In comparison with other European nations, her world-wide empire (which the exception of Ireland) had emerged entirely unscathed; and yet she could see that in many places the fires of discontent had been kindled In particular, she now envisaged the possibility that India, compelled despite her own abject poverty to contribute everything she possessed to Britain's economic

advancement, might rise in revolt, and that at any moment the flow of wealth from India to Britain might be checked She began to consider how she could halt India's growing desire to leave the shelter of the British flag, and persuade India to realise that it was in India's interest to continue to enjoy it

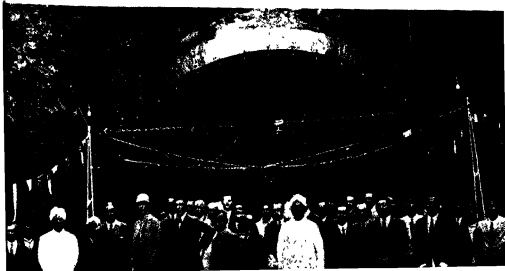
Though her dominions were intact, Britain had lost her economic security. She was bowed down by the weight of the debts which she had had to incur for the prosecution of the war During the years of fighting, Japan and America had made great advances in the sphere of trade and industry, and in the world's markets Thus these immensely lucrative spheres, in which Britain had once known no rival, were no longer inviolate The manpower needed for resisting competitors had been reduced by war The operations and circumstances of the war had imposed such an intolerable strain on the economic, physical and mental strength of the whole British nation, that it could not easily raise its head again. Britain's production had dwindled, her manufacturing potential had declined, her purchasing power had deteriorated Her unemployment rose from day to day.

A mechanical age would have no use for the old adage about "turning swords into ploughshares" when the fighting was over, so that more crops might be grown and people need no longer feel anxious for their bellies Swords had disappeared—any that remained were purely ornamental objects, their place had been taken by new weapons of death and destruction The old ploughs had made way for tractors and ploughs driven by electricity or oil During the war, iron and steel had been disproportionately used up for armaments, so that it was now impossible to get new machines or ploughs made in a hurry But a yet more serious situation had arisen in Britain's economic concerns The coal, ship-building and shipping trades, which used to bring a very large volume of wealth to Britain from abroad, were in a state of depression. In these three trades, most of the independent countries were now trying as far as possible to become self-reliant Coal-mines were closing down, ship-building yards and sea-going wharves lay deserted The sum total of all this resulted in acute unemployment in Britain and the decline of her foreign trade. Caught and tossed about in such lamentable circumstances, Britain was compelled to examine her past policies and her world position.

The two great industrial countries of Japan and America had entered the world markets, and the competition from them grew

L B Phatak

The Pandharpur Bridge on the river Bhima

Opening of the Bhorghat Tunnel

Walchand, with three cars—two Maxwells and Willys Knight starts his 23 days journey from Calcutta to Bombay

Scindia House, Dougall Road Fort Bombay

Phoenix Building, Ballard Estate, where Walchand had the offices of all his Companies up to 1938

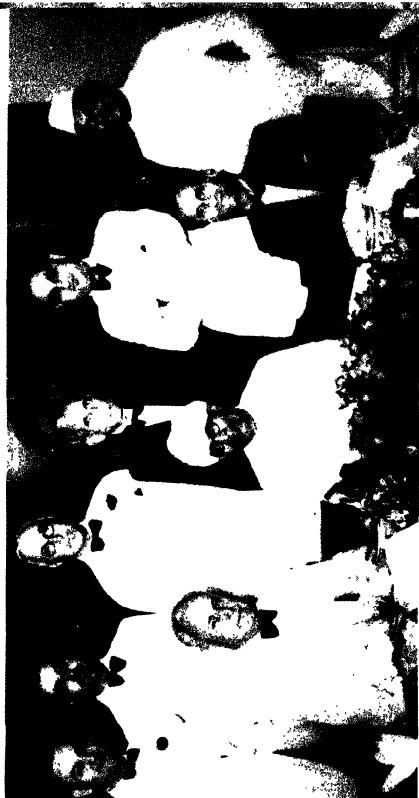
Launching of s s Jala-Usha Walchand with Jawaharlal Nehru

Welcome Walchand !
Leading citizens of Visakhapatnam receive the Ship-builder at the Waltair Station

Sardar Vallabhbhai Patel
launches s s Jala-Prabha by wireless from the Irwin Stadium in New Delhi

Visakhapatnam

Walchand's statue in the compound of the Hindustan Aircraft factory at Bangalore

First Harlow Trainer manufactured by Hindustan Aircraft Company Bangalo

ight (standing) Mr Trainer Mr Dharamsi Mulraj Khatau Mr Davis M Visvesvarayya as Kilachand, Mr Lalchand Hirachand (sitting) Mr Morse Mr Walchand Hirachand and Advani

Walchand and Mrs Walchand inspecting the newly erected Premier Automobiles factory at Kurla

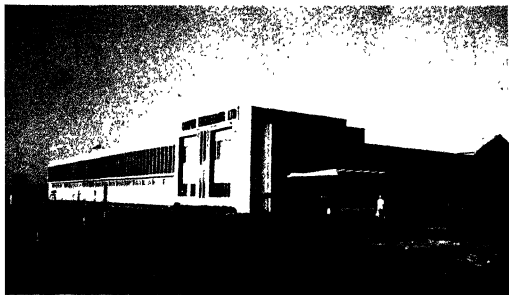
A panoramic view of the Premier Automobiles factory Kurla Bombay

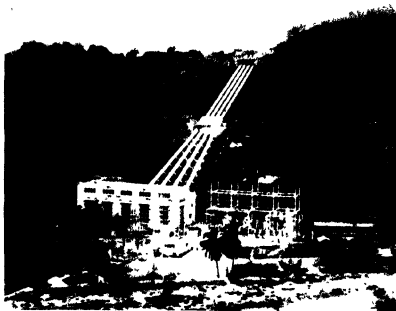
Testing and final assembly of Fiat Cars and Dodge and Fargo Trucks

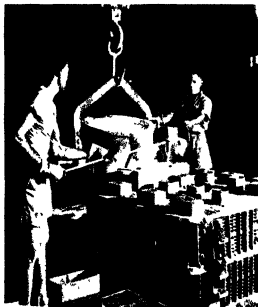
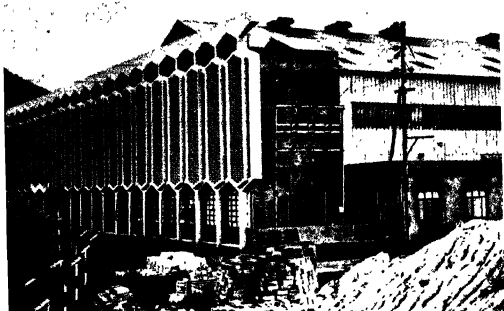
The Ravalgaon Sugar Farm Ltd started manufacturing with this cane-crushing machine

The resting place of Walchand at Ravalgaon

Children eagerly sampling Ravalgaon Confectionery

Mechanised farming at Walchandnagar

Machine Tool Division of the Cooper Engineering Ltd at Chinchwad Poona

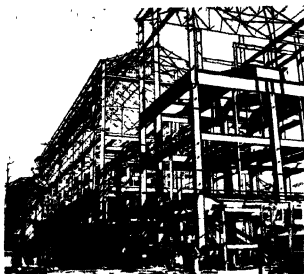
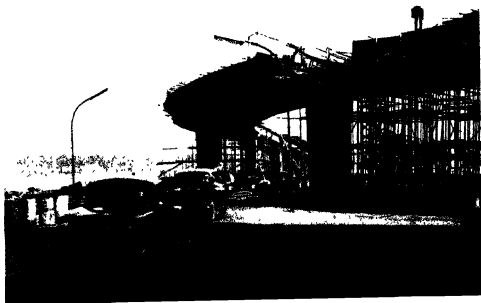
Diesel Engine assembly view of the Cooper Engineering Ltd at Satara Road

Penstocks and Power House Papanasam

Meehanite Foundry of the Premier Automobiles Ltd at Wadala

A Machine shop in the Acme factory at Wadal

lagonal view of the new Meehanite foundry at Satara Road inaugurated on December 17 1966

Inside view of CVR-5 machine shop

Manufacture of Pipes at
the Indian Hume Pipe Factory Ltd
at Wadala

Penstock Pipes at Sharavathi Hydro-Electric Project in Mysore State

Pelletisation Plant by the Vikhroli Metal Fabricators Ltd for Messrs Chowgule in Goa

Acrow tubular scaffolding was used in the construction of the longest fly-over in India at Marine Drive Bombay

fiercer day by day. They had even got their hands on India, which Britain had made her own private market. Japan in particular, being closer than America to India, had made very rapid progress. She had built her own merchant ships, and begun to maintain her own independent sea communications. Japanese goods poured into India, and could be had cheap. Inroads were gradually made on the British merchants' absolute monopoly Britain's commercial policy was to import raw materials of all types at a cheap rate from India to England, convert them into finished goods, and sell them in other markets, as well as India's, at a price several times greater The Government of India itself never thought of setting up factories in India and converting raw materials into finished goods on the spot, and thus developing the industrial concerns and the wealth of the people It was found to have no plans other than for channelling as much of India's wealth as possible towards Britain

In the nineteenth century, Britain enjoyed a monopoly of industry and held undisputed sway over the world's markets At the very end of the century, the tide of her monopoly and supremacy began to ebb, as her European and American competitors commenced their powerful challenge. In countries other than India, Britain was driven back, step by step Only in India she was in a dominant position, holding in her possession two thirds of the Indian market. But that situation was altered during the Great War of 1914-18. Undeterred by tariffs, Imperial Preference and other impediments, the Japanese and American traders tackled their British counterparts and established a firm footing in the Indian market, of which Britain's two-thirds share was whittled down to one-third. Japan entered not merely the Indian market but practically the whole Asian market also. Her trade increased by 78% above her pre-War figure.[1] India's British rulers could no longer close their eyes to the situation

The Government of India began to proclaim a radical departure from previous policy as regards industrial matters, and the adoption of a new policy of industrializing the country. This revised policy was first announced in a despatch from the then Viceroy Lord Hardinge to the Secretary of State for India, dated 26-11-1915

Lord Hardinge's recommendation cannot have failed to have its effect on the British Government. In 1916 a Commission on Indian Industries was appointed under the chairmanship of Sir Thomas Holland, President of the Institute of Mining Engineers. The

1 G E Hubbard · Eastern Industrialization and Its Effect on the West, p 52

members of this commission included such Indian industrialists as Sir Dorab Tata, Sir Fazalbhoy Currimbhoy and Sir R. N. Mukerjee; and of course British industrialists with capital sunk in Indian concerns The statement of the Commission's recommendations was published in 1918. Later in that same year, this new policy of promoting the industrialization of India found its expression in Mr Montagu's Minute on the question of The Better Government of India.

It is obvious that it was the pressure of War conditions which induced the British Government to change its existing policy. The chief reasons for this were threefold:

"*First*, military strategic reasons. Without the most elementary basis of modern industry in India there was exclusive dependence for vital military needs on long-distance overseas supplies

"*Second*, competitive economic reasons. Foreign competitors were beginning to break down the British monopoly in the Indian market A system of tariffs to prevent this would serve two purposes In the first place, in so far as the foreign industrialist was replaced by the development of industry within India, the British financial and political domination could secure a more favourable possibility to extract the ultimate profit for British capital than if the market were lost to an independent foreign capitalist power In the second place, the establishment of a tariff system could prepare the way for imperial preference to assist Britain to win back the Indian market.

"*Third*, internal political reasons To maintain control of India during the war and in the disturbed period succeeding the war, it was essential to secure the co-operation of the Indian bourgeoisie, and for this purpose it was necessary to make certain concessions and promises of concessions, economic and political, of a character to win their support."[2]

In accordance with the Government's policy enunciated above, the Governors of all the Indian Provinces began, within their respective territories, to initiate fresh works of public utility, of one sort or another. Among the works so initiated, Bombay's Governor Sir George Lloyd commenced a scheme connected with the growth and re-organization of Bombay The scheme had been under consideration right from the cessation of hostilities, and had been confidentially discussed for nearly eighteen months As soon as it

2 R Palme Dutt 'India Today and Tomorrow', pp 55-56

was finalised, Government prepared a Bill,[3] which was laid before the Bombay Legislative Council for approval on 3 August 1920.

While introducing the Bill, Sir George Lloyd explained the need for erecting buildings to provide ample air, light and space for the poor, low-income and working classes in place of their present insanitary and filthy accommodation. He further showed the necessity of so reorganizing Bombay as to make it a credit to the modern age, in its capacity as one of the world's major Ports, together with the inevitability of developing this industrial centre by a wide extension of its existing boundaries, in the face of its swelling population He even went on to declare that "social service was of greater importance than tons of politics"!

About this time, Bombay was visited by a town-planning expert in the person of the world-renowned sociologist Patrick Geddes The University of Bombay had opened a new Department of Sociology and appointed Geddes as its Head (1922). The new Professor began lecturing to close-packed audiences of Bombayites upon Town Planning and Beautification[4] The idea of re-organizing Bombay, and making it the Queen of India's West Coast, now began to form a never-ending topic of discussion among the city's educated and affluent classes

The period of the First World War, and the following year or two, were an age of glory for India's merchants and mill-owners Cloth and jute mills made handsome profits. In 1920, Bombay's leading cloth mills declared dividends averaging 120% ; some of them went as high as 200%, 250%, even 365% The merchants and mill-owners were eager to apply the fortunes thus acquired to fresh remunerative enterprises As soon as the re-organization and development scheme for Bombay was announced, there was a rush to buy up land in Bombay and its surrounding areas, resulting in a tremendous spurt in land values. The rate for the 2365 square-yard plot[5] which Tata's Associated Building Company bought from the Municipality in 1920, on Bruce Street in the Fort area, stood at the incredible figure of Rs 1,230 per square yard.

In order to make his scheme effective, Governor George Lloyd

3 A Bill further to amend the City of Bombay Improvement Act, 1898 and the City of Bombay Municipal Act, 1888 (Bill No VII, of 1920)

4 Between 1915 and 1919 Geddes had visited Baroda, Calcutta, Dacca, Indore, Kapurthala, Lahore, Lucknow, Madras, Nagpur, Patiala, Ahmedabad, Amritsar, Benares, and others of India's principal cities In all these he had given lectures and demonstrations on Town Planning, and laid his ideas before citizens and officials

5 Where present Bombay House stands

opened a separate Development Department, and appointed Sir Lawless Hayper as Director in charge of it. This colossal plan, running into crores of rupees, called for joining up the two islets of Sashti and Trombay and making them fit for habitation, constructing 50,000 workers' quarters, arranging accommodation for two and a half lakhs of human beings, and reclaiming Back Bay by the formation of 1145 acres of land and the establishment of new housing colonies thereon. For all these works—especially town improvement, water supply, drainage, new roads, convenient and ample lighting, parks for recreation, and similar amenities—the co-operation of the Municipality and the Improvement Trust was counted upon.

The Back Bay Reclamation Scheme had been agitated since the time of George Lloyd's predecessor Willingdon, and a committee headed by Sir Vithaldas Thackersey had thoroughly investigated and signified approval of it The absence of suitable sites, and consequent failure of housing to keep step with the rising population, had not only resulted in overcrowding but also pushed up rents beyond the reach of the man of moderate means. To keep the situation under control, the committee felt that the scheme of reclaiming the sea and creating fresh building sites would be from every point of view advantageous With a sure sale of 60,000 square yards per annum at Rs 25 per square yard, the committee recommended the scheme as free from risk and indeed profitable. In 1917 Sir David Sassoon, Sir Shapoorjee Bharucha, Sir Fazalbhoy Currimbhoy, Sir Vithaldas Thackersey, and Sir Lallubhai Samaldas formed themselves into a Syndicate, put up the required capital, and advised Government of their willingness to carry out the scheme Tatas also indicated their readiness to co-operate with the Syndicate

On seeing all their readiness and enthusiasm, Government began to think that these capitalists' willingness to sink their capital in it must be a positive proof of the scheme's lucrative nature. Why, then, should not Government itself take it up? Accordingly the Syndicate's offer was rejected, and the Government itself launched on the preliminaries of the work, appointing Messrs. Mike and Buchanan as Consulting Engineers, and ordering the necessary machinery from England. Lieut. W. Leavis was appointed Chief Engineer to bring the scheme into effect. And this was followed by the opening of the Development Department

At first, Walchand had paid scant attention to all these goings-on Through his friends Chunilal V. Mehta and Lallubhai Samaldas, who were Members of the Governor's Council, he had information

about every move in the scheme. His intelligence had correctly caught the meaning of the official policy, and his judgment was confirmed when he saw George Lloyd, enjoying connection with a House like Lloyds Bank, come to Bombay as Governor and immediately push the scheme ahead. The policy meant that British manufacturers, contractors and engineers, and young British ex-officers without jobs, would get the plums, while Indians would be thrown the ordinary morsels of sub-contracting and menial work. At once Walchand set about explaining this to the public, and awakening it At his own cost he printed various manifestoes,[6] large and small, in the *Bombay Chronicle* and other papers. He commissioned articles criticizing the official policy underlying the Scheme, and called upon his countrymen to claim their rightful share of these new works which, at a cost of nearly thirty crores, were designed to line the pockets of British capitalists and experts.

At that time (1921) popularly elected assemblies had beeen constituted in the Provinces under the 1919-20 Government of India Act The Indian National Congress had pronounced this Act to be "inadequate, unsatisfactory and disappointing", and had boycotted it, hence the most strenuous and extreme opponents of British imperial policy had not stood for election Yet even those softer and more pliable Indians, who had obtained election on the principle of making the best of whatever rights had been won, would take into account the anti-British feeling in the country, and not consent to permit British domination in such matters as the above-mentioned Scheme The nature of the situation could not escape George Lloyd's shrewd and businesslike perception He had no intention of forfeiting the very considerable credit which would accrue to him from the successful implementing of this scheme for re-organizing and expanding Bombay Moreover, he sensed that if he were to engage foreign manufacturers, foreign experts and foreign technicians, to the exclusion of Indian, he would provoke a popular outcry and resolute opposition which it would be difficult to face. He was shrewd enough to see that such a course would add force to the extreme nationalist party's argument that "the new political reforms were deceptive and illusory, and nothing but a trap". He now fully realised how wrong Government had been to turn up its nose at the Bombay industrialists' promised co-operation. Yielding to circumstances, he put his policies into reverse.

6 One such was entitled "For Bombay, In Bombay and By Bombay"

Despite the outward indifference displayed by George Lloyd, or by his compatriots in India, to the current Indian popular sentiment, they were inwardly aware of its rising strength The Governor had enough business sense to see what bad statesmanship it would be, especially in this particular matter, to flout popular feeling After an overall review of the position, he invited the Chairman of the Tata group of industries, Sir Dorab Tata, to discuss the problem. Sir Dorab's place in Indian industry was second to none He held complete control of India's production of steel, iron and electrical power , the strength of his resources and credit was prodigious Tata and his Parsi community were as well known for their enterprise and love of trade, their industry and practical ability, as for their loyalty. There was no other community on whom the British so particularly relied Thus it was but natural for Sir George Lloyd to think of taking Sir Dorab Tata into his confidence regarding his Scheme

After discussing the matter with Sir George Lloyd, on several occasions and from all angles, Sir Dorab Tata assured him of his help Sir Dorab was then in need of some such business He had bought a great deal of land in Bombay, which had to be put to use Secondly, during the two years of unparalleled splendour for trade, immediately following the end of the Great War, he had added to his regular companies the Tata Oil Mills, Tata Industrial Bank, Tata Hydro-Electric Company, Tata Publicity Company, and Tata Sugar Company But the days of splendour had not lasted for more than a couple of years or so, and he had had to wind up several of his companies ; thus he was obliged to grasp the life-belt of an undertaking like the city's re-organization in order to recoup his unforeseen losses.

As soon as his discussion with George Lloyd ended in a decision to lend his assistance, Sir Dorab Tata floated the Tata Construction Company in 1920 with a capital of two crores, for the construction work. This company resolved that the bricks, building timber, saw-mills, foundries, assembly shops, and other factories needed for the work must be made and set up under Company ownership. This present undertaking was completely new and different from the regular Tata undertakings, and Sir Dorab felt that the Board of Directors should include at least one or two directors with good experience of such work. Two names caught his eyes ; one was Palonjee Eduljee, and the other Walchand Hirachand Both men were approached by Ardeshir Billimoria on Tata's behalf

Walchand had now got the chance he wanted The hour was at hand to realise the object with which he had launched his far-flung campaign; and seeing this, his heart rejoiced. He thought over the new turn of events. He began to sound his relatives and friends.

The coveted chance of joining hands with an astute industrialist like Tata was about to be realised. It was an unlooked-for chance in Walchand's business career.

2.

A NEW VENTURE ALONG THE WAY

LIKE his father, Walchand was very fond of travel. As he found a little respite from his regular labours, he would spend some days travelling to some part or other, accompanied by his wife His objects were to give his mind a little relaxation from its constant preoccupation with business dealings and considerations, and to find fresh stimulation ; yet to a marked extent he also aimed at meeting new men, hearing new thoughts, studying new characters, personally observing any new developments, and drawing any inspiration from them that they might convey With all this in mind, he started on a trip to Northern India, two months after the Great War ended Some business took him to Calcutta, which he left at the end of January 1919, accompanied by his wife Kasturbai and one of his Company managers, Shivchandra Banerjee

During a rail journey, it was his habit to alight at all the important stations, and buy the latest newspapers and magazines—both Indian and foreign—from the bookstalls; these he would read himself and also make his accompanying staff read From these he would frequently learn information useful to his business, or be inspired, as a result of his reading, by some fresh ideas. Chance encounters and conversations at a station would suggest the idea of some new plan.

Just such an incident occurred when he had completed his tour of Northern India and was on his way home to Bombay In the course of his rail journey, he reached Gwalior Station. Following his usual practice, he got down, went to the bookstall, and stood there looking through the papers Here he happened to notice a European gentleman of his acquaintance, who was similarly engaged in turning over the newspapers. On enquiry, he learned that this person was about to travel by the same train. The fellow's name was Watson, and he was a senior executive of Crompton and

Company, who dealt in electrical engineering He had close contacts with the Maharaja of Gwalior, and was one of the Europeans in His Highness' confidence. He was frequently called to the Palace for advice and consultation.

As soon as he noticed the man, Walchand greeted him with "Hullo, Mr Watson, how are you? All well, I hope? What are you doing here?"

"I've been to meet the Maharaja," smiled Watson, "and now I'm going back to Bombay."

"Any interesting news?"

"Yes! Something very interesting—something that deserves thinking about, too."

"Really? Then come along, come to my compartment"

It was lunch time, and Kasturbai and Banerjee were waiting for Walchand As Watson entered the compartment, they made him sit and join them for lunch The conversation wandered here and there. Walchand was eager to hear Watson's "very interesting news", so he interrupted the talk and turning to Watson, observed "Ah! You haven't told us that interesting piece of news you mentioned, have you? Do let us hear it!"

"Of course! I'd quite forgotten Most important news! A marvellous opportunity! Might come your very way." With a teasing smile on his face, Watson was deliberately whetting their curiosity

Walchand gazed at his guest with eager eyes, and demanded, in an inquisitive voice, to know without more delay what this "opportunity" was

"A truly golden opportunity, indeed," replied Watson, increasing the other's eagerness still further

Hands which had been busily collecting the food before them, rested motionless in their plates. Three pairs of eyes were glued to Watson's

"You'll have a chance to set foot in a new field of business That is—of course—if you have a mind to!" Watson resumed his attack on the food before him, wearing an expression which suggested that something mysterious was occupying his mind

"Yes, yes, yes!" cried Walchand in considerable impatience "Come on, tell us what this opportunity is. Don't go on like this, making us more and more curious!"

"Right you are. Well, then, I'll tell you I've just been meeting His Highness During the War, he and some of his friends amongst the native Princes bought a ship, and handed it over to Government

for use as a Hospital Ship—as you probably know."

"I do. So—?"

"She's the *Loyalty*—used to be the Canadian Pacific liner *Empress of India* Government found her very serviceable in the War years, but when the War was over, so was her job. Now H H wants to sell her His idea is to get back a little of what he spent on her The Government of India is ready to help him by making some special concessions in the matter."

"Excellent! You must get a good customer for His Highness"

"That's what I'm after And I've got my hand right on him. You get me?" The way Watson looked at Walchand as he said this, made everybody burst out laughing.

Allowing the laughter to subside, Watson continued, "Honestly, Mr. Walchand, why don't *you* be the customer for this ship? And the price isn't too steep—twenty-five lakhs at the outside Catch hold of three or four rich men, form a Steamship Company, and buy this steamer She's officially licensed for freight for another year, so you won't have to renew And Government haven't controlled her rates like they have for other ships, they have given her a special permit for one more year Just now, thanks to the acute shortage of steamers to England, you can get whatever fares you want I estimate that within a year or two you'll easily get all your money back. Your present construction business is not likely to stay so good now, as during the War period. You'll have to take up some extra work; so why not get into this steamship business? Your Bombay mill-owners have made no end of money in the last four and a half years, and they must be anxiously wondering what to put it into Put some of them out of their misery Their money is rotting in their safes; make them take it out and put it into this new business"

Walchand listened to Watson in all seriousness He felt convinced "True enough," he thought to himself, "in these days of steamer shortages, why shouldn't our rich Indians buy ships like the *Loyalty* and enter a fresh field?" Lunch over, Watson and Walchand discussed the subject thoroughly

During the day, Walchand thought deeply within himself He again met Watson in his compartment, and said, "We're going to Bombay, so when we get there, let us first have a look at the ship After that, let us decide what to do about it."

Walchand knew nothing whatever about the business field which Watson had suggested to him And those Indians who had entered it in the past, had had exceedingly bitter experiences, from what he had

heard. For nearly sixty years, the communications by ship along the four and a half thousand miles of India's coastline had been dominated by the British India Steam Navigation Company (known as the "B. I") All the threads were in the hands of its Agents, Messrs. Mackinnon Mackenzie and Company, which took care that no company other than the B I should be allowed to enter the sea carriage trade From time to time, some Indian merchants would form a shipping company and try to enter the field; but every time, through under-cut rates and all sorts of obstacles placed in their path, they would be quickly thrown out

In 1870, some traders from Surat tried founding a steamboat company for transporting Burmese rice between Chittagong and Rangoon; but the B I did not allow them to survive for long In 1893, Jamshedji Tata started four steamers[1] to carry Indian yarn to China and Japan and to bring back silk and other goods; his dish, likewise, was not allowed to cook The P & O Company and two other members[2] of The Bombay-Japan Conference reduced their rates from Bombay to China from Rs 19/- per ton[3] to a rupee and a half, as a result of which, within two years Tata had to fold up his sea transport business (February 1895) [4]

Similar was the fate of a company started in Madras in about 1904, by a merchant named Isabhoy, for carrying passengers along the Coromandel coast 1905 saw the birth of the Indian Co-operative Steam Navigation Company for carrying passengers along the Konkan coast This was the only company which somehow or other managed to hang on for a considerable period.

In 1906 or so Chidambaram Pillai, known through all the Kerala region for his ardent patriotism, established the Swadeshi Steamship Company for carriage by sea between Tuticorin and Ceylon He had observed that the B I., giving priority to the interests of

1 These four steamers—two British and two Japanese—were on charter Tata had fixed a ton rate of Rs 12/- for cargo in his ships

2 Austrian Lloyd Navigazione Generale Italiana (N G I)

3 One ton = 40 cubic feet of space "Tonnage" means a ship's cargo-carrying capacity

4 Jamshedji Tata protested to the Secretary of State for India against this spiteful rate-cutting by the P & O In the course of his representation he wrote "Our new steamship service is a distinct effort in the direction desired by the Government of this country But the P & O Co is trying to stifle it at birth With scores of liners, English and foreign, plying in these waters which our petted and much glorified Anglo-Indian Company can afford, and perhaps finds it a good policy to tolerate, it is only jealous of a small enterprise like ours, and while it can lovingly take foreigners and possible further enemies of England to its bosom, it discards the poor Indians for whose special benefit it professes to have come to India and from whose pocket it draws the greater part of its subsidy" Needless to say Mr Secretary of State in effect totally ignored this representation

British traders, were not giving adequate facilities to Indian traders. Pillai received the support of Indian traders and patriotic entrepreneurs. After its usual fashion, the B I. tried to beggar this company by rate-cutting, but the attempt failed. Indian traders boycotted the B.I and began to entrust all their cargoes to Pillai, who consequently made excellent progress Such a sight was intolerable to the B.I. and its backer the British Government Chidambaram Pillai (1872-1936) was an influential and prominent supporter in South India of Lokmanya Tilak's extremist nationalist party, as well as a member of Vir Savarkar's 'Abhinava Bharat Sanstha' (New India Society). He originally came from Otapidaram in Tinnevelly District, and on passing his law examinations, he had settled down in Tuticorin and begun to practise as a pleader He achieved wide popularity in that area, which was naturally enough to make him objectionable in official eyes Government charged him with disaffection and got him awarded two sentences of transportation Pillai appealed to the High Court, which reduced the sentence of transportation to six years rigorous imprisonment With its leading spirit thus incarcerated, the Swadeshi Steamship Company fell into a state of disorder and passed away

In similar fashion to the above Company, one or two others were founded, like the Bengal Steam Navigation Company (1905-1910). By hook or by crook, however, the B.I contrived to draw their teeth also In the sixty-three years from the founding of the B I to the arrival of Scindias, a number of similar large and small steamboat companies had been floated by Indian merchants, and under the keen and murderous competition of British firms, had swiftly vanished again. In this shipping business, Indian entrepreneurs had seen nothing short of some eight to ten crores of rupees go down the drain. Such bitter and disheartening experiences had left Indian entrepreneurs with no more taste for entering the field of maritime transport

When Watson put the thought of buying the *Loyalty* into Walchand's head, the latter could not help recollecting all the above experiences of the past, yet his inability to stomach the British merchants' head-strong ways and crooked policies frequently acted as a spur. If ever the opportunity should arise of tripping them up and bringing them to their knees, he certainly did not intend to lose it.

Trade and industry depend for their growth to a large extent on the means of transport From both experience and observation,

Walchand was well aware of the truth that wherever those means are within reach and abundant, trade and industry can satisfactorily proliferate. He clearly felt that if India's industries were to grow, and her economic advance to be achieved, her means of transport and avenues of communication must be established on an up-to-date footing, their ownership must be wholly in Indian hands, and their free enjoyment must be vigilantly preserved. Feeling as he did, he was constantly engaged in thinking about what he himself might be able to do in the matter of solving the question of transport. He insisted that the people of India must be paramount over the transport routes, whether within territorial limits or over the adjoining seas, and that Government must further this purpose by providing the requisite opportunities and facilities. He reasoned that Indian industrialists must hold themselves in constant readiness to put the necessary pressure on Government to afford the said opportunities and facilities, and to face whatever sacrifices might thereby be called for. He cared nothing for foreign competitors with their crafty ways, and was ever eager to make attempts to defeat them on the principle of "tit for tat".

On reaching Bombay, Walchand sent his wife home and went with Watson straight to the dock, to see the *Loyalty*. After observing her trim construction and fittings, the comforts provided for her passengers, and so on, Walchand formed a favourable impression of her "With her fittings carried out with princely taste", he declared, "and the coloured glass of her cabin portholes, I find her decidedly attractive It makes me think how luxuriously she could carry my brethren who, for shortage of ships, have been unable to travel abroad for these four and a half years! And I have resolved that we must leave no stone unturned in order to buy the *Loyalty*"

Walchand took the captain with him on a complete tour of the ship As they went, he obtained detailed information about the ship's tonnage, the number of passengers she could accommodate, the maximum estimated rates per ton of freight and per man, the cost of a voyage from Bombay to London, and the maximum profit to be expected from fares. Calculations on the basis of this information persuaded him to agree with Watson's estimate, that the whole investment on the ship could easily be recouped within a year or two He made up his mind to buy the *Loyalty*.

The moment he stepped off the ship, instead of going home, Walchand went straight to the office of Narottam Morarjee of Morarjee Goculdas and Company, took an interview with him, and

apprised him of the whole matter concerning the *Loyalty*. "This ship", he assured Narottam, "will be commanded by Indians, worked by an Indian crew, and will ply to and fro between India and England. Supplementing her by the purchase of more ships, we stand a chance of doing very well in this new business. At a time like the present, when ships are in very short supply, if we enter this profession we shall make some pennies and at the same time open up a new field of business for our people."

Seth Narottam called his secretary Mansukhlal Master, and told him to take Walchand to his nephews Ratansey and Tricumdas, and discuss the matter with them Accordingly Master took Walchand to Ratansey's room, where a long discussion took place Figures were set down, and the financial angle was thoroughly investigated Their conclusions regarding the ship were then placed before Narottam, who approved of them and expressed his willingness to participate in the ship transaction. The military contract at Deolali in 1917 had given him ample proof of Walchand's briskness, competence and integrity, and he therefore gladly and eagerly agreed to co-operate with Walchand and to lend him financial assistance

This was on the 17th of February 1919 Next day, Walchand met two men of influence and substance in the Indian mercantile world of the day, Kilachand Devchand (1855-1929) and Sir Lallubhai Samaldas (1863-1936) Kilachand had chartered steamers to transport goods during the Great War, from which he had realised a handsome profit Sir Lallubhai was at this time a Councillor of State for India Both of them began by expressing doubts as to how far a national Shipping Company could succeed However, in view of Narottam Morarjee's very high standing in the mercantile community, and his financial strength, together with Walchand's energy and ability, they supported the ship-purchase plan Support was similarly won from the Liberal leader and Parsi savant Sir Dinshaw Wacha All these activities being completed, Walchand instructed Watson to inform the Maharaja of Gwalior that he was ready to purchase the *Loyalty* for twenty-five lakhs

His Highness had stipulated that half of the fixed price of the ship, i e twelve and a half lakhs, must be paid immediately This sum was put up by the temporary syndicate formed by Narottam Morarjee, Lallubhai Samaldas, Kilachand Devchand and Walchand, and the steamer was purchased and handed over to the Managing Agency of a company floated under the title of "Narottam Morarjee and Company". It was resolved that the Managing Agency's pro-

fits be shared by Narottam Morarjee, Walchand Hirachand, Lallubhai Samaldas and Kilachand Devchand in the proportion of eight annas, four annas, two annas and two annas in the rupee respectively[5] Walchand at first insisted that the Managing Agency should bear the name of "Morarjee Goculdas and Company". Since this name carried immense prestige with the class of commercial entrepreneurs, he felt that it would have an especially useful effect in attracting quick capital for the shipping company and inspiring confidence among the public For some unexplained reason, however, Narottam and his relatives would not accept Walchand's suggestion, which Walchand accordingly abandoned. He even agreed to what Narottam had to say about the Managing Agency's amount of brokerage Thus all the preliminaries were settled, the initial share capital was fixed at four and a half crores of rupees, and the Company was named "The Scindia Steam Navigation Company.[6]

And so, after being given its name, the Company was duly listed on 27th March 1919 Nine persons were appointed to its Managing Board, all of whom were men of experience as well as influence both in social and official circles[7] The syndicate of Narottam Morarjee, Walchand, Lallubhai Samaldas and Kilachand Devchand had already put up the money and completed the *Loyalty's* purchase, and

5 Narottam Morarjee & Co, was owned solely by Narottam, the other three persons merely retained a share of the profits

6 This name induced many to suppose—wrongly—that the Gwalior Durbar must have some share in the Company Apart from the name, the Scindia has no financial connection whatever with it Walchand's devoted friend and co-worker, Mansukhlal Master, writes in his "Scindia" (1948) — 'The title chosen by Mr Walchand Hirachand and Mr Narottam Morarjee for their company—'Scindia'—must remain an unsolved mystery because neither the Maharajah Scindia nor the State of Gwalior had share in the financing or running of the Company "

Rightly or wrongly, Walchand was attracted to big names, a fact which not infrequently had an adverse effect upon his reputation and earnings The name "Scindia" made people assume (as some are still found to do) that the Company must belong to the Scindia It was part of Walchand's character that, if some work which he had undertaken became magnified or publicized as a result of his magnifying or publicizing some individual, he would gladly accept the position, while himself remaining in the background

Possibly Walchand intended, by naming his shipping company after a leading royal house, that the various Indian Maharajas, princes, sardars, zamindars and so on should look on it as their own, and give it their protection The fact that Rs 4 49,17,875/- out of the Company's initial issue were quickly subscribed, compels us to recognize the soundness of Walchand's policy

7 The Managing Board consisted of the following —
(1) Narottam Morarjee, Chairman (2) Lallubhai Samaldas (3) Kilachand Devchand (4) Walchand Hirachand (5) Ratansey D Morarjee (6) Sir Dinshaw Eduljee Wacha (7) S R Bomanjee (8) C E Randle, Manager of the Bank of Baroda (9) C A Latif Executive and Chief Manager Mansukhlal Atmaram Master The office was opened in Ismail Building on Hornby Road

after settling their mutual financial arrangements, had handed her over to the Company.

The work of the Scindia Company and its Managing Agents Messrs. Narottam Morarjee and Company, began systematically. The work of the Managing Agency was divided between Walchand, Narottam and his nephew Ratansey, with Walchand supervising the ship's stores and supplies, repairs and other periodical requirements of a technical nature, Narottam, taking care of the travel department, and Ratansey looking to the running of the local office.

The Scindia Steam Navigation Company was born ; and over the field of Indian Shipping, a new age dawned

3.

IN THE LION'S DEN

THE new industry's start had been a good one. Now the next job was rapidly to reconvert the *Loyalty* from a hospital ship to her original form of a passenger liner, which would involve rebuilding and repairing certain portions. Enquiries with one ship-repairing firm disclosed that this work would take six months for completion and cost ten lakhs The ship's transport licence was for only one year, out of which, if six months were to pass with no returns, the remaining six months' earnings would evidently be consumed by the cost of these repairs, thus putting an end to all hope of "recovering the purchase price within a year or two" On further investigation, Walchand learned that if the repairs were executed in England, they could be done in six weeks for a lakh or a lakh and a half. Thereupon he decided to get essential makeshift repairs done in Bombay, and do the rest in England.

It had been Walchand's desire to have a wholly Indian ship's complement from the very start In those days, however, it could fairly be said that Indian engineers and deck officers who had mastered the technique of handling a ship, were practically non-existent. He was therefore obliged, although against his will, to recruit some white personnel, under whom he would have to train up officers suitable for their jobs. He selected his employees according to this policy, and arranged for the key managerial posts to remain in Indian hands.

The difficulty of obtaining suitable officers was equalled by the difficulty of finding experienced agents to carry out the work, at the European ports, of the end-of-voyage cleaning up, of unloading cargo and reloading fresh cargo, and all the connected operations This was a problem which all his efforts could not satisfactorily solve. He approached all the recognized firms of shipping agents, but none of them would touch the work, despite the generous brokerage which Walchand offered. It was found that each firm

was adopting a policy of non-co-operation; and they all seemed to be in league together Further enquiries showed that each firm was dissuaded from accepting Walchand's work through fear of incurring the wrath of the sole mistress of India's maritime transport, the B.I., and of that company's virtually all-powerful Chairman, Sir James Mackay.

When this magnate learned that an Indian firm called the Scindia Steam Navigation Company was being launched into the transport business, he formed the design of clawing it to pieces at birth He set about intimidating all traders engaged in maritime transport, clearing agents and brokers, with the threat that anybody dealing with the new company should understand that he would be kicked right out and have his rebate stopped In the face of this, nobody in the ports of Europe would come forward to accept the Scindia Company's work and send cargo by their ship. In certain ports, there was actually a dispute about giving the ship the necessary berthing facilities Walchand had rather expected the B I to make some sort of attempts to create difficulties along these lines, but he never thought they would be so savage and murderous

The spectacle of the B.I 's vicious attacks disturbed the hearts of Walchand's partners Some exclaimed that they had been trapped, and felt they had received a clear warning not to succumb to Walchand's blandishments. As for Walchand himself, the necessity of allaying his partners' uneasiness on the one hand, and of defeating the growing opposition of his rivals on the other, obliged him to exert every ounce of his strength He was not the man to be shaken by rivals' attacks; on the contrary, his instincts of retaliation would be roused thereby to an equally keen, or even keener, degree. He prepared himself to break the opposition by uniting all his powers and engaging all his resources In no circumstances could he be dismayed or bowed down by the greatness or strength of his competitors. Indeed, the realization of being called upon to fight foes of this type, used to fill him with joy.

The man whom Walchand was now to fight, was one of similar qualities and character to himself. In him resided the same indomitable ambition and proclivity to action as in Walchand. Like Walchand, he prided himself on never bowing his head before any adversity, however severe.

Sir James (1852-1932) had been born as James Lyle Mackay in an ordinary family, but had risen to the top through his uncommon ability. He was reckoned as one of the ten most affluent men in

Britain, and went by such flattering titles as "the Napoleon of Shipping" and "First and Foremost of Ship-owners." When Lord Minto retired in 1908, John Morley, Secretary of State for India, advised the Cabinet to appoint Sir James as his successor in the Viceroyalty.[1] But the then Premier, Asquith, feeling that the appointment of a man with purely commercial and industrial connections, such as Sir James, would arouse tremendous opposition in India, rejected the advice. Despite the above outcome, this incident gives a clear idea of the immense respect which the man commanded in England.

At the time of Walchand's first steps in the field of shipping transport, Sir James had reached the high-water mark of power, prestige and authority On the occasion of the War, he had given great assistance to the Imperial Government with money, ships and commercial advice During the most critical days, he had contributed to the National War Loan, from his own savings and from his companies and his friends, the sum of £ 9,279,330 ; he had maintained a constant supply of ships, and as Chairman of various committees he had preserved the Home Front The War over, he had sold almost two hundred surplus ships, at a clear profit to the Government of thirty-five million pounds During the post-war years of unemployment, he had put the ship-builders in his debt by giving them ship-repair jobs All this had naturally won him immense influence both with Government and his own profession He was the virtual dictator of Britain's sea transport

The noble Knight had a tight grip on British ship-building and maritime transport In 1914 (24 June) he had wiped out the independence of his rival, the P & O —a very flourishing company, whose ships sailed the seven seas—and merged it with his own British India.[2] He appeared to have taken on the task of seeing that not a single shipping company in the British Empire should be allowed

1 Hector Bolitho James Lyle Mackay, First Earl of Inchcape, pp 110-111

2 At the time of the P & O's merger with the B I the position of the two companies was as follows —

The P & O had 61 steamers with a total tonnage of 548,564, chiefly engaged in carrying mails and passengers They plied from London to Suez, and thence via Ceylon to Calcutta, Yokohama and Sydney In addition, many of its lines plied from the Cape of Good Hope to Australia, as well as down the American coast and the South Pacific In 1913 the Company's capital stood at £5 300 000, and its shareholders were getting interest at nearly 15%

The B I in 1913 owned a fleet of 126 steamers with a total tonnage of 587,071, plying all over the Indian Ocean as well as some areas of the Pacific and the seas round England and Europe With a capital of £1,657 200 it was paying interest on its Ordinary shares at 10%

Reference David Devine These Splendid Ships, the Story of the P & O Line (1960), p 162

to survive and challenge him.

James Lyle Mackay, the future Lord Inchcape, was born in 1852, in an ordinary middle-class family, at the port of Arbroath in Scotland. His father, a sea captain, died in the boy's twelfth year, and in the same year his mother also went to her rest Hence he was compelled to break off his education and take to service. His father had left him an annual income of £100, which was not enough to support the family. Since he possessed neat hand-writing, he was given a job of copying documents in a solicitor's office ; but not caring for this work, he exchanged it for a clerical post in a nautical rigging and sailcloth factory. Four years later he left this job also, reached London, and took service with a firm dealing in maritime freights, named Gellatly, Hankey, Sewell & Co, at an annual salary of fifty pounds; this was in 1872, when he was twenty years old

Young James set foot in London at a time of boundless prosperity for British trade The lure of gold had induced British traders on a vast scale to get in touch with such far distant lands as Africa, India, Australia and Canada, from 1850 onwards By 1872, trade had risen by more than one hundred per cent To the above countries went finished goods from British factories, and back from them came ships for London, heavily laden with their jute and cotton, wool and wheat The air of London was favourable for ambitious young men to seek their fortunes Maritime transport was on the increase, and with it, a growing demand for steamships With preparations and projects going on, up and down the oceans' coasts, the ship-builders' hands were full. Between 1862 and 1872, the total tonnage of British ships rose from four and a half million to five and a half million With the opening of the Suez Canal in 1869, voyages to the East had become cheaper, shorter in time, and less troublesome All this made the sea transport profession more attractive to British youth

It may have been a couple of years after James Mackay had come to London, when one day his senior boss called him and asked, "Are you prepared, my boy, to go to India and join Mackinnon Mackenzie at Calcutta ?" He had already put the same question to two others of his employees, one of whom had replied, "Yes, provided I am given leave in the summer", while the other had agreed but said he would require his parents' consent Unlike these two, James sought refuge in no Ifs and Buts; he answered, "Yes, certainly." To the next question, "When can you start ?" he promptly replied, "This very night" Young Mackay's willingness

resulted in his being immediately selected, and he was packed off to join Mackinnon Mackenzie.

This firm was a Scottish mercantile house, originally established in Glasgow, which had opened a Calcutta branch for the purpose of trade with India, this office was conducted by one of the partners, William Mackinnon At the suggestion of the East India Company, which was then ruling India, William Mackinnon had formed the 'Calcutta and Burma Steam Navigation Company' (1856) for the purpose of carrying the mails between Calcutta and Rangoon through the agency of his firm After India's First War of Independence in 1857, the British Government took the administration away from the East India Company into its own hands, thus promoting an increase of trade between Britain and India. To take advantage of this, the Calcutta and Burma Steam Navigation Company was converted into a British Company.[3] The new Company at first concentrated on commercial cargoes, but later began also to carry passengers from port to port along the coast of India It acquired a foothold in Bombay too, from where it started communications with East Africa Government gave it the contract to carry mails between Bombay and Karachi and the Persian Gulf From about 1872 onwards, its ships were sailing the routes from Rangoon to the Gulf, and it gradually gained a virtual monopoly of transport over the Indian Ocean and the Arabian Sea.

James Mackay joined Mackinnon Mackenzie at a time when its ageing senior Director William Mackinnon, together with his nephews who were assisting him, wanted to retire after thirty continuous years of service All of them had amassed ample fortunes and bought large estates in Scotland, and all were eager to return home and pass their last years in leisure. This being the position, William Mackinnon had to find fresh young men capable of running the firm in a responsible fashion after him It did not take James Mackay long to size up the situation. Giving his whole mind to the firm's work, and punctually carrying out all the duties that fell to him, he won his employers' confidence For the first seven years he toiled steadily without enjoying leave

Meanwhile some confusion had cropped up in the B I 's Bombay agency, which was at that time running independently, without Mackinnon Mackenzie's supervision. Such supervision had now become necessary, and James Mackay was posted to Bombay as

3 Reference · George Blake B I Centenary, 1856-1956, Collins, London (1956)

Mackinnon Mackenzie's representative He spent four years in Bombay, establishing the firm's business on a thoroughly sound basis, and also increasing its profits. Recalled to Calcutta in 1880, he was put in complete charge of Mackinnon Mackenzie There he resided continuously up to 1892 During these twelve years he effected great improvement in the firm's steamship business as well as in its trade in jute, tea and coal; he brought the firm a prosperity such as it had never known In 1894 Sir William Mackinnon passed away; he was succeeded as Chairman by Duncan Mackinnon, but henceforth the real power was in the hands of James Mackay

In the world of commerce Mackay's influence steadily increased. In the course of his stay in India he held the following posts:— President of the Bengal Chamber of Commerce (1889-1893), Sheriff of Calcutta (1891), Member of the Viceroy's Legislative Council (1891-1893), President of the Indian Currency Association (1892), Member of the India Council (1897-1911) Government honoured him with a C I E in 1891 and a K.C I.E three years later From 1901 the continuous expansion of the B I Company obliged him to stay permanently in England Here too he entrenched himself as firmly as he had done in India; and the powerful influence which he wielded in official and commercial circles has already been described The British Government recognized his services to the nation by creating him a Viscount in 1924 and Earl of Inchcape in 1929

Such was the man whose bitter opposition Walchand would henceforth have to face, and whose periodic merciless attacks it was now time for him to repel with unceasing vigilance

On perceiving that the repairs to the *Loyalty* could not be carried out in Bombay in the expected time and within his estimate, Walchand executed makeshift repairs and decided to take the ship to England with passengers. He appointed a definite date for the departure from Bombay

A number of Indians wishing to go West were eager to participate in the ship's maiden voyage An unexpectedly large number of applications for reserving accommodation were received, some of which had consequently to be turned down Yet on the day of sailing, many of the applicants failed to appear, including some rajas, maharajas, sardars, nawabs, and so on The result was that many berths remained vacant, and since no money had been collected in advance, the anticipated returns proved short by nearly one lakh of rupees Assuming all berths to have been fully reserved, Walchand

had been obliged to disappoint some of his own friends who had applied It was a distressing situation for him, but now it was beyond remedy ; a definite sailing date had been fixed, which he did not feel it proper to extend.

On April 5, 1919[4] Walchand left for England on the *Loyalty*,[5] accompanied by Narottam Morarjee and Narottam's son Shantikumar That morning Mahatma Gandhi, accompanied by Jamnadas Dwarkadas, had called on Seth Narottam Morarjee, conferred his blessings on the new venture, and wished it all success

The *Loyalty* was India's first steamer opening the first contact by sea between India and England. Her departure from India's shores was as it were a challenge to Britain's maritime suppremacy [6] With her flag flying—blood-red Swastika upon a white disc—to proclaim India's right to the freedom of the seas, she turned her bows towards England

As the Indian shore faded astern, Walchand's momentary distress of mind was swallowed up by the joy of making for England on his own ship It was his first trip westwards. On this trip, there was much that he would have to observe and learn ; he would have to smash his rivals' opposition and formulate sound plans for the future, he would have to take the advice of men knowledgeable about the sea transport business, and lay down his company's future policy His rivals had planted obstacles in his path At the sight of an imperial slave standing up to shake his hitherto unfettered power, the Lion of Sea Transport—Sir James Mackay—had begun to roar with rage Undismayed by this roaring, Walchand intended to accomplish his purpose

From the very day on which he set foot in London, Walchand fully realised that he had entered the den of a lion pitiless, uncompromising, grown fat on his victims' blood, and drunk with power

4 To commemorate this historic occasion, this date has begun since 1964 to be celebrated as National Maritime Day

5 The list of passengers included such personages as Maharaja Sir Hari Singh of Kashmir, the Maharaja of Kapurthala with his Spanish wife, Prince Ajitsingh, the Thakur Saheb of Limbdi with his three sons, Prince Dilipsingh with his cousin Ramsingh, the Thakur Saheb of Bhavnagar, Sir Chunilal V Mehta, Manilal Nanavati, Dr Jivraj Mehta, Amersey Gordia and the wife of Chief Justice Jenkins of the Bombay High Court

6 By a coincidence, the day after the *Loyalty* sailed for England, i e, on 6 April, Gandhiji and thousands of Bombay citizens took a purificatory bath from the Chowpatty seashore, observed fast, and announced their undertaking to defy the British Government's repressive Rowlatt Act This represented a uniquely forceful challenge to Britain's paramount power over India

4.

BATTLE JOINED

WHILE the Lion gnashed his teeth and roared and showed his claws, Walchand moved around and kept his ears open.

The times were adverse and difficult The first job in London was to get the *Loyalty* repaired, which would require the assistance of a thoroughly experienced workshop Another matter of equal importance was to secure for the Company a capable clearing agent And at first there was no sign of a way to accomplish these two tasks Walchand approached a number of reputed firms dealing in such business, but none would consent to undertake it for him Each one was afraid that he would receive no mercy from Sir James Mackay London's shipping firms showed their opinion that for Indian entrepreneurs to enter their profession in the teeth of Sir James' strong opposition, was an act of sheer folly Yet Walchand did not lose heart He kept on trying, and very soon he succeeded

A man named Kennedy noticed that Walchand was being deliberately thwarted at the instigation of Sir James Mackay, and he promptly came to the rescue. The fellow was now a partner of Gellatly, Hankey and Co., shipping, insurance and forwarding agents, in which firm the young Mackay had once served as a clerk In the old days, Mackay and Kennedy had sat at adjoining desks, and Kennedy had obtained a deep insight into James Mackay's character, he was well acquainted with the latter's ambitious, envious and selfish qualities The pride which made Sir James Mackay forget his former position and despise his old companions, made this Kennedy angry. The man felt that someone or other, sooner or later, ought to open those eyes now blinded by the dazzle of omnipotence, and he felt happy to see that an Indian gentleman had stepped forward to do it.

This Kennedy advised Walchand of his readiness to undertake the repairs to the *Loyalty* and the agency work for the Scindia

Company. Ordinarily his firm did not handle passenger liners, but specialized in the work of cargo ships. However, in order to break Sir James Mackay's stranglehold upon Walchand, and to give him a slap in the face, Kennedy accepted the Scindia Company's agency work, and put fresh heart into Walchand. This heartening response from the fellow Kennedy in time of need made a new man of Walchand

Kennedy had at first tried to arrange a meeting between that James Mackay and Walchand, but his attempts bore no fruit, being met with a blunt refusal The man then made great efforts to get Walchand an interview at least with Sir James Mackay's principal assistant, Sir William Currie, so that their mutual differences might be to some small extent ironed out After a lot of persuasion, this Currie agreed that Walchand might call upon him.

Walchand paid the call; but nothing came of it. In fact, Sir William's misplaced arrogance merely irritated his visitor "Your intrusion into our field", Walchand was harshly informed, "we consider as downright piracy We have built up this sea transport business by years and years of infinite toil and devotion; and if you fancy that you can rob us of it by shameless bluster and a fat purse, you are grossly mistaken The sooner you remedy your mistake, the better Otherwise you will go the way of your predecessors."

Walchand gave a complete account of this interview to the Scindia Company's managing board in Bombay, adding "The night is dark; but keep watch, and be ready to greet the dawn. From now on, difficulties are likely to come one after another"

The fellow Kennedy was not pleased at the way in which Currie had insulted Walchand; he felt that the former had acted in a way to make any decent Britisher hang his head for shame, and he resolved to atone for the fault of which one Briton had been guilty He made arrangements for suitably repairing the *Loyalty*

Walchand's original estimate, however, was wide of the mark. In Bombay he had been quoted one and a half to two lakhs of rupees, but in the event it was seven lakhs. In time also, "six weeks" became five months Gone were the anticipated profits Income—nil; costs—plentiful Walchand contented himself with the reflection that at least his ship had been repaired as he had wanted, which was no small gain. He busied himself in seeing whether he could get some fares for the *Loyalty*'s homeward trip No sooner did Sir James Mackay hear this, than he telephoned the seniormost manager of the *Loyalty*'s clearing agents, Gellatly, Hankey and Co. "If I

hear that Scindia's ship the *Loyalty* has got even one passenger through you," he threatened, "understand that from that moment you lose the support of the P. & O. for good."

This made Walchand think of Saint Tukaram's saying that "Self-help is the best help", and he proceeded on his own. He advertised "Passengers Wanted" in the newspapers, took a separate room in the hotel where he was putting up, and began the work of enrolling passengers, in which work he acted as his own clerk In a very few days he had all the passengers he wanted

Now a fresh difficulty arose. To keep the keel weighted down, both steamers and sailing ships need to take on the right proportion of heavy stuff at the bottom, this is known as "ballast" The *Loyalty* needed fifteen hundred tons of ballast, which Walchand did his best to secure in the form of cargo, but without a glimmer of success He wrote to several firms which sold machinery and implements for Bombay, but none of them were prepared to send their goods by the *Loyalty* Where a strong firm like Tata Steel lacked courage, what could the smaller units do? One London firm, Richardson and Cruddas, had agreed to despatch fifteen hundred tons of cargo to its Bombay agents; but on some pretext this offer too was withdrawn What a formidable situation! Even though passengers had been secured, unless ballast could be supplied, the ship could not put to sea Sir James Mackay's design had succeeded; and yet Walchand was determined to thwart him, come what may Seeing that nobody was ready to send cargo to India by the *Loyalty*, he decided on his own responsibility to buy goods equal in weight to the required ballast, load them in the bottom of his ship, and recover the fare amount by selling them on arrival in India Accordingly he bought one thousand tons of cement and five hundred tons of pig iron, and loaded them on board. He had now broken free from Sir James Mackay's grip, and opened the way for the *Loyalty* to sail.

During his sojourn in London, Walchand made a meticulous study of the British sea transport business as well as ship-building He had engaged an intelligent lady named Miss Sweet as his Secretary. Every day he would send her out to get facts and figures about various branches of the business from different quarters, and he would closely study her reports. Whenever there was some point which he could not properly understand, he would invite experts and people connected with the matter to dine at his hotel—or sometimes he would take them to a play, or the opera, or the cinema—

and in course of conversation he would get the point explained to him. On one occasion he even crossed to Holland, to see ship-building yards.

The first thing which his studious and minute observations in England taught him was that, if he was to face the competition of foreign shipping companies, he must build up a really adequate fleet of his own. To this end, disregarding the impediments from Sir James Mackay, he began to direct his endeavours. As he looked around, it came to his ears that the Palace Shipping Company of Liverpool had offered for sale its entire fleet of six large modern cargo steamers, ranging in tonnage from four to six thousand tons The possession of such medium-sized steamers would nicely enable the Scindia Company to ply regularly from port to port along the Indian coast, and would be likely to prove profitable from the business angle He contacted the Palace Company, which was ready to sell all the six ships[1] for one million pounds. Considering the current rise in the price of ships, Walchand found this a fair offer

He wrote to the directors of the Scindia Company about the matter, and laid his views frankly before them After the experiences which had followed the purchase of the *Loyalty*, the directors were not in favour of such an extremely bold step. They shillied and shallied and refused to commit themselves The Palace Company had leased out several of its ships for a fixed term. Hence there could be no doubt about their earnings, which would go on as before. From the business point of view, the transaction seemed likely to prove advantageous In these circumstances, Walchand was astonished at his partners' nervousness, yet he still refused to change his plan He knew precisely when and how to bait his hook for any man, and thus in one way and another he won over his partners, and eventually secured their consent.

Walchand now became the target of hostile criticism in England for his "failure to learn wisdom from his experiences and for his ever-increasing boldness" One leading and influential London monthly which specialized in shipping affairs, *Fair Play*, roundly declared that the efforts of those Indian merchants who, refusing to recognize facts, had entered the shipping field, were useless; that these men were wholly incapable of maintaining such a profession and succeeding therein; and that their hopes were doomed to final frustration

1 The six ships' gross tonnage was 26,734

When he read this adverse comment by *Fair Play*, Walchand went to call upon its Editor, to whom he gave a detailed exposition of what a favourable field India offered for the expansion of shipping, how useful it would prove for bringing hope to India's economic future, the ways in which Germany before the War, and Japan and America during the War, had utilized the opportunity, and so on. The Editor was convinced, and his previous views underwent a diametrical change. "From now, my dear chap," he assured Walchand, "your efforts get my positive support Whenever and wherever you feel like asking for my advice, ask for it right away. I'll freely give it." Walchand was greatly encouraged by these words. He derived some satisfaction from seeing that if England held narrow-minded and evil men like Sir James Mackay, it also held broad-minded and generous persons like Kennedy and the Editor of *Fair Play*

Walchand opened negotiations with the Palace Company through a broker named Davidson, for the purpose of buying the steamers He paid £100,000 as earnest money—only to be confronted by a fresh difficulty of a technical nature The Defence of the Realm Act (popularly and universally known as "Dora") which was then in force, contained a strict provision that a merchant from any country outside Britain wishing to purchase a steamer, must first obtain the sanction of the Shipping Controller It was strictly laid down that in default of his obtaining such sanction, Government would not allow the purchase Walchand had been quite unaware of this Act's existence, and only learned of it during a conversation with the Editor of *Fair Play* regarding his deal with the Palace Company. When he asked the man Davidson about it, the broker brushed the matter aside, saying "That old Act? Why, the War's over It can't apply today In any case, it's part of the seller's responsibility, not the buyer's."

Walchand however could not rest satisfied with the above answer. He had already given the Palace Company a cheque for £100,000 as earnest money, and he felt anxious Fortunately, on that very day he met both Davidson and the *Fair Play* Editor at once. "What business had you", Davidson began to chide the other, "to put the wind up Walchand for nothing, by bringing up some imaginary section of Dora? A man like you, my friend, should have known better." The Editor heard him in silence to the end, and then the fellow extracted a copy of the Act from a cupboard beside him, and held the very section before the shattered broker's eyes

Promptly Davidson flung himself at Walchand, crying "I've made a big mistake, indeed. There is a clear section, just as the Editor says. Forgive me. I gave wrong directions through ignorance. Forgive me" His words of regret were pitiful to hear Such pitiful expressions of regret were all very well; but how were the consequences of his mistake to be avoided? Walchand was equally perturbed If the transaction, which he had performed without the Shipping Controller's sanction, should have to be called off, he would naturally forego the amount paid to the Palace Company as earnest money; in which case, Walchand would be unable to return to his country.

This new misfortune somewhat shook Walchand, yet he did not lose heart He promptly called on the then Secretary of State for India, Montagu, and two of his Indian Councillors of State Sir Prabhashankar Pattani and Sir Bhupendranath Basu, to whom he related the whole affair, begging them to suggest a way out of the difficulty All three of them plainly answered that they were helpless in the matter Walchand thereupon called on the Shipping Controller, who refused to listen to a single word "You must pay the penalty of your mistake" was his unsympathetic reply This transaction of yours must be cancelled There's no help for it"

Next, Walchand called on the Government's top office-holders, and tried to win them over "Do not we Indians" he asked them, "count as British subjects? If so, how can we be 'outsiders' or 'foreigners'? How can you apply this section in your Act to India, which is in the British Empire? Will it be consistent with justice? Will not applying this section have an undesirable effect on India, a land which during the last War gave you more men and money than all your Colonies? The suspicion about your intentions, which has already greeted your new political reforms, will be intensified Young India's present cry that 'double-faced Britain speaks with two voices' will be vindicated Public resentment at your conduct may even provoke a conflagration"

Walchand's speech gradually convinced the assembled statesmen. They instructed the concerned official, "Get Walchand's undertaking not to make any more purchases after this one, and sanction his deal with the Palace Company" Accordingly, after imposing several more stringent conditions, the officials gave their sanction, and a deadly weight was lifted off Walchand's chest

The deal with the Palace Company was finalised The *Loyalty* was repaired and in good trim for the voyage to India Walchand had spent eight months in London, and was longing to get home again.

Arising out of these transactions, there were a number of questions which called for decision after consideration and discussion with his partners. Their future course must proceed upon a well-planned policy, capable of meeting the aggressive policy of their rivals.

Walchand had been to London. He had not only entered that Mackay's den, whose very neighbourhood no outsider had the temerity to traverse, but faced the inevitable battle with courage. The battle had cost him some scratches, and some blood had been drawn ; but he had kept his courage high "So you have entered my den", roared the Lion of British Shipping, furiously gnashing his teeth, "and are you still daring to fight with me?" To which Walchand answered in effect, "Assuredly! Know that, whilst I shall live, stout blows again I'll give!"

And with this reply, he retraced his steps towards home

5.

ASSOCIATION WITH TATAS

On the conclusion of his eight months' stay in England, Walchand got back to Bombay at the very end of 1919 His first few days went in settling all matters connected with his purchase from the Palace Company—income and expenditure, cost of bills of exchange, questions of business and consolidation arising out of adjustments, and so on He had also to decide the future policy of his regular construction business, in the light of his changed situation Sir Dorab Tata had begun to sound Walchand for the purpose of getting his active co-operation in the construction business which he wanted to start, and a definite answer would have to be given to him

For Tata of his own accord to invite Walchand's co-operation was a kind of real compliment It was an indirect tribute paid to his past work Walchand felt proud of himself, and began to speculate in his mind on the advisability of joining Tata. His father, relatives and friends, however, were not in favour of such a course, being apprehensive that it would mean the loss of his separate identity Of Phatak and Walchand, Ltd, his father Hirachand, younger brother Gulabchand, cousin Raoji Sakharam, and friend Amichand Daluchand were just as much Directors as he was himself, nevertheless, the real power lay in the hands of Walchand, and it was his policy which guided the Company If they were to merge with Tatas, then the current works of Phatak Walchand and Company would be handed over to the new firm, and they would not be able to take up any fresh works To his relations and friends it seemed that, even if their Company was not wound up, it would exist only in name.

Walchand, however, had other ideas. Since he was a lad, he had been aware of the widely-held and deeply-ingrained belief that, so far as large-scale construction works were concerned, only European firms could execute them responsibly, punctually and in a first-class manner, and that Indians would never be able to cope with them

(a belief which the British Government, anxious to help its fellow-countrymen, took no pains to contradict). And all along, he had dreamed of one day destroying this belief root and branch, of proving that, given the opportunity and the means, Indians could competently execute works of the same standard and quality as European industrialists In those days, the Railways and Public Works Department used to give their large construction jobs, worth crores of rupees, to European firms. It was the invariable custom that the butter-pat of big profits should slip down the white man's throat, while the thin whey of labour or sub-contracting would drip into the black man's bowl. For many years Walchand had cherished the desire that his own hand should upset this state of affairs, and he felt that the opportunity to fulfill this desire was now presenting itself, unsought

Behind Tata's attempts to start his new construction business, lay a policy which is clearly revealed by a subsequent event. Tata was confident that the work of re-organizing Bombay would be entrusted to him, and Walchand thought the same Looking to the vast scale of the work, and the immense capital as well as the diversity and quantity of the materials which it would demand, it was obvious to Walchand that Government could give the job only to a firm like Tatas Therefore, he told himself, the fulfilment of his ambition depended entirely upon his associating himself with that firm He did not altogether share others' fears that his own powers, independence and profits would be circumscribed. "Whatever powers I consider essential," he reasoned, "and whatever independence I want, can be safeguarded according to my wishes in the Company's articles of association That leaves the question of profits. The share of profits and the commission we get from the new Company will cancel out the risk of losses, and on top of that we shall be getting more profits In the end, everything turns upon our own skill"

Walchand did not allow the days to go by in musing to himself "To join or not to join—that is the question" Acting on his unchanging philosophy of 'Hear what men say; go your own way', he considered the matter down to the last detail, and accepted Sir Dorab's invitation

Besides Walchand, Tatas also acquired Palonjee Eduljee On being joined by these two, Tata put into effect his previous plan; he formed the "Tata Construction Company Limited", registered it under the Companies Act of 1913 with the Registrar of Companies Bombay, on July 6, 1920,[1] and as soon as he got his permit to start

1 The Company's authorised capital of two crores was divided into 195,000 Ordinary shares

business, on 16 August, he commenced the Company's work.

Under the agreement between himself and Tatas, Walchand made over Phatak & Walchand Ltd., and its subsidiary Walchand Construction Ltd., to the Tata Construction Company at a price of Rs. 14,43,848-4-0; along with them went all their current and proposed works, with the exception of the contract for the G.I.P. Railway's coal-mine at Mohapani.[2] Despite being made over to Tata Construction, Walchand's companies were to retain their individual existence; and so they continued up to the end of 1936, retaining their proportionate profits and paying a yearly dividend to their share-holders.

After 1920 they took up no fresh work, all construction being henceforth on behalf of the Tata Construction Company In February 1937 Phatak & Walchand Ltd went into voluntary liquidation. During the twenty-two years of its working, it had earned for its share-holders as much as Rs 8,34,955 on a total paid-up capital of Rs 2,55,000, which amounted to 15½% At the winding-up, the repayment came to six times the paid-up capital.

The work of the Tata Construction Company was divided by mutual arrangement, so that Tata would ordinarily look to the supply of funds needed by the Company and machinery required for construction, while Palonjee and Walchand would be directly responsible for the construction schemes Palonjee was considered an expert on plumbing and sanitary engineering, and had his own firm under the name of Palonjee Eduljee & Son. Walchand was well acquainted with him through business contacts, and considered that the acquisition of an experienced manager like Palonjee would be a definite gain to the Company For this reason, when Tata suggested in the beginning that Palonjee should be Managing Director, Walchand readily concurred, even although it had previously been settled that Walchand should hold that post and be in charge of the Company's working

of Rs 100 each and 50,000 Promoters' shares of Rs 10 each Of these, 75,000 Ordinary shares and 35,000 Promoters' shares were issued Out of the latter, Tata Sons Ltd, bought 20,000, Walchand bought 10,000 and Palonjee 5,000

The first Board of Directors of the Tata Construction Co Ltd consisted of the following — (1) R D Tata (Chairman), (2) A J Billimoria, (3) F. E Dinshaw, (4) F I Rahimtulla, (5) Walchand Hirachand, (6) Palonjee Eduljee (Managing Director)

The principal executives were O C Ormesby (General Manager) and P J Kanga (Secretary) The Company's registered office was at first in Ismail Building, Hornby Road, Bombay, and a few years later, in Phoenix Building, Ballard Estate

2 Walchand retained the contract for extracting coal from this mine up to 1928, and made a useful profit But in about that year the workings went so deep that extraction ceased to be an attractive proposition Walchand therefore gave up the contract, and the Railway later closed the mine down

The change in the appointment did not upset Walchand in the very least Sooner or later, as he was well aware, he would occupy that seat; and just so, at no distant date, it came to pass Palonjee looked on himself as indispensable to the Company, on whom he consequently began to impose conditions, the acceptance of which would have meant diverting a very large portion of the profits into his own pocket. In the result, his conditions were refused, and Palonjee withdrew from the Company His shares were bought over by Tata Sons, Walchand and F E Dinshaw, and his connection with the Company was finished.

With Palonjee's departure, the entire burden of the day-to-day running of the Company fell on Walchand's unaided shoulders The remuneration which the Company should pay for the work he had to do, had never been regularly agreed between them, indeed, it never was agreed right up to 1928 In January 21, 1929 an agreement was drawn up, by which Walchand was formally appointed Managing Director for the next ten years, and his powers, with the remuneration due to him, were definitely laid down[3] Despite the fact that it took eight years for a regular agreement to be finalised between Walchand and the Tata Construction Company, he nevertheless attended to all the work as General Manager, while at the same time not neglecting his other interests

In the expectation that the work of the various plans for Greater Bombay would come to it, the Company had locked up lakhs of

3 In the preamble to the Agreement of January 21 1929, between the Directors of the Tata Construction Co and its Managing Director Walchand, it is stated —

"Board of Directors of the said Company—asked the Managing Director from the very commencement of its working in 1920 to manage the affairs of the said Company till the date of these presents and whereas no formal document embodying the terms and conditions of remuneration to him for such work was passed between the parties, and whereas the Directors of the said Company are desirous of having a formal agreement with the Managing Director of the said Company for a period of ten years from 1st July 1928 upon the terms and conditions hereinafter appearing"

The clause in this Agreement, dealing with the remuneration payable to Walchand, runs as follows —

"The Managing Director shall be entitled by way of remuneration for his services to a commission of ten per cent on the balance of the net trading or business profits of said Company subject to a minimum of Rs 10,000 per year made during the financial year or other periods comprised in the accounts submitted to each ordinary General Meeting of the said Company that will remain after deduction from the said net trading or business profit of the amounts of dividends which the said Company will receive on their investments in the four Subsidiary Companies, viz, (1) The Hindustan Construction Co Ltd, (2) The All India Construction Co Ltd, (3) The Eastern Construction Company Ltd, (4) The Indian Hume Pipe Co Ltd for which Companies Walchand & Company Ltd have been appointed as Managing Agents under separate Agreements with each of these Companies and in which the Managing Director is interested but without any deduction whatsoever for sums set apart for depreciation or reserve funds for income and super-tax by the said Company in such financial year or other periods"

rupees in the purchase of machinery, and had taken on its payroll technicians and craftsmen of different trades. Sad to relate, however, the above expectations were largely belied. For the most part, Government entrusted the biggest jobs to its own Building Department. Luckily, the Company secured from the Municipal Corporation (August 1921) the ninety-five lakhs contract for the fifty-five miles of pipe-line from Tansa to Bombay, which was part of the Tansa Completion Works scheme From the same quarter, the Company also acquired the contract, valued at Rs 3,68,320, for building a road from Tansa to Atgaon The above works for the Corporation were likely to prove a test of Walchand's organizing capacity, his practical efficiency, and his ability to co-ordinate the different sections of a task

In the wake of the Great War, the sharp increase in the size of Bombay had caused the Government, the City Improvement Trust, and the Port Trust to frame betterment and expansion schemes. These could never be realised without first obtaining a considerable increase in the water supply For this purpose, the Corporation had framed a scheme, known as the Tansa Completion Works, for bringing water from the Tansa Lake to Bombay Island through a pipe with sections of 72 inches diameter The Waterworks Department planned for a daily supply to Bombay of ninety million gallons, from the average monsoon storage in the Tansa catchment area To achieve this, it was at first decided that the pipe sections should for some distance be of 72 inches diameter, and thereafter of 57 inches diameter Later however (May 4, 1922) the scheme was amended so as to provide for an extension of the catchment area, with an increase in the daily supply from ninety million to one hundred and sixty million gallons

This amendment would involve the construction of a pipe-line, the ninety-five lakh contract for which was secured, after a lot of manœuvring, by the Tata Construction Company The rest of the work went to British firms, which would also have secured the above contract, if Governor George Lloyd and the white Municipal Commissioner H. B Clayton had had their way But when the Chief Waterworks Engineer flatly said that the contract must go to Tatas, failing which he would take no responsibility for any damage or obstruction which might happen to the work, Lloyd and Clayton gave up insisting, and Tata's tender, although not below the other tenders received, was accepted.

The part which the Tansa Bombay Pipe-line would have to

traverse receives a very heavy rainfall for four months continuously every year, which means that work can only be done there for six months in the year The whole part also has to endure constant heat and cold With all this, and despite having to face many difficulties over and above those which are normal in the course of all water supplies, the Company contrived, with no slackening of its regular business, to complete this exceedingly troublesome job within three seasons (i e eighteen months)[4] For its able, expeditious and sincere work during 1923 to 1925, the Company was publicly thanked by the Corporation[5] During the nine years following the inception of the Company in 1920, Walchand's superhuman efforts secured almost seven crores' worth of construction work of various kinds, which he accomplished punctually and in an excellent

4 An idea of the variety of material, and the vast quantity of machinery which the Company was required to maintain for this work, can be gathered from the following list —

2 Ruston Hornsby steam navvies
22 miles of 25-pound light rails
1000 2-foot tipping wagons
60 2½ foot tipping wagons
10 locomotives
18 oil-driven engines
10 steam engines and boilers
18 mortar mixers
65 pumping sets
11 pulsometer pumps
53 pneumatic drills with jack
18 dredging grabs
8 Fordson tractors
15 stone- and gravel-crushers
18 concrete mixers
13 portable air compressors
2 belt conveyors
4 motor and steam road rollers
1 80-foot steel derrick
9 Goliath cranes
3 winding engines
2 tugger hoists
10 steam winches
12 electric generators (200 h p)
3 small electric generators
12 goods trucks

Besides the above, there were drill sharpeners, polishers, excavators, shearing machines, air locks, asphalt machines, brick-making machines, oil furnaces, motor launches, boats, etc , etc in ample numbers The Company had set up its own iron foundry at a cost of six lakhs

In the Company's employ at this time there were 68 qualified engineers—60 Indian and 8 European

The pipe-line was principally constructed under the supervision of an exclusively Indian team, whose members were Amichand Daluchand Shah (Manager), M C Master, Shantiswarup Gupta, M D Lohit, B B Watwe, and R M Kelkar Each was put in charge of one out of the five sub-divisions—Santa Cruz, Pawai, Mulund, Khalinga, and Pivli In all these subdivisions, 10,000 labourers would be working at a time

5 "The work extending over a length of 55 miles, has called for very careful organisation on the part of Messrs The Tata Construction Co , and the fact that they have finished

fashion.[6] The Company possessed from fifteen thousand to thirty thousand workers, who (as Walchand once observed with pride and satisfaction) "never struck work nor gave us any other sort of trouble."

Of the achievements referred to above, there is one comparable to the Tansa Pipe-line, yet of still greater importance and conspicuous skill, namely the Bhor Ghat Tunnels. Hitherto, all tunnelling work in India had been done by Europeans, and no Indian ever got a chance at it; hence its peculiar technique remained the prerogative of European engineers. If any Indian contractor applied for such work, he would be fobbed off with the question, "Where have you got the engineers who know this technique?" Such had proved the case with the Bhor Ghat tunnels also; but Walchand had such a ready answer for the Railways when they tried to floor him in this manner, that they were forced to assign the tunnel contract to the Tata Construction Company. This incident is as instructive as it is charming—but before hearing it, the reader must be made to understand the nature and importance of the Bhor Ghat work.[7]

the track, reflects considerable credit upon their management, especially as climatic conditions are such that it is not possible to work on most of the time for more than six months in a year."

"Malaria has decimated the labour employed, and the contractors had to keep up a continual stream of recruitment from places as far distant as Sholapur and Bijapur in order to maintain the huge labour force necessary which amounted at one time to over ten thousand persons. The supervision and care of such a large force, scattered over an extensive area, has been no light task, for their food supplies and in many places water have to be brought from long distance across rough country devoid of roads and constant medical supervision is necessary to combat ravages of disease."

The Tansa Completion Works,
Bombay Municipality, December 1924

6 The different works were as under —
Chinch Bunder Police Lines (1921), Governor's Secretary's Bungalow at Nepean Sea Road (1921), work at Government House (1921), buildings at Jamshedpur (1921), Wadia Woollen Mills, Thana (1921), Blowroom extension at Colaba Land Mill (1921), alterations to Taj Mahal Hotel (1921), Telephone Exchange Building (1921), Bombay Port Trust's new buildings at Apollo Bunder (1921), Dormitory at Ballard Pier (1921), R. D. Tata's bungalow (1923), Portions of Tata Bank Building (1921), Bombay Motor Agency's showroom and garage (1922), building for Sassoon Spinning Mills (1923), building of Empire Edward Mill (1923), Nanded Mills (1925), building for the match factory at Ambernath (1924), Sukkur Bridge staff quarters (1925), bungalow for Pochkhanawala of the Central Bank (1926), Padli works (1925), new extension to Fazalbhoy Mill (1926), New Depot Head Office for the Ceylon Commissioner (1927), Ismail College, Andheri (1928), remodelling of Victoria Terminus (1927), Kazipeth Balharshah Railway (1926), the elimination of the Bhor Ghat Reversing Station (1928), bridge over the Godavari (1929), Kindli extension tunnel (1924), Tansa pipe-line (1925), Karachi Municipality's new main conduit (1926), filling work at Sewri and Mazagaon (1924), Tansa-Aigaon road (1922), Ballard Pier work for Narottam Morarjee (1921), work for Sir D. Petit at Hornby Road (1924), Tansa Pipe-line widening bank (1922), Delisle sewage work (1924)

7 The following account is taken from N. C. Kelkar's "The Bhor Ghat Reversing Station", Kelkar's Collected Writings (Marathi), Vol. VI, pp. 545-548

"The Bhor Ghat extends from Khandala down to Karjat, and constitutes the principal route from Bombay to Poona During British rule, it was passed by means of a carriage road and later the building of a rail track In earlier times, the Lamanis used to transport goods on bullocks and he-buffaloes, from the Konkan to the Deccan and vice-versa Such rugged terrain presents difficulties for a carriage road, and still greater ones for a railroad The latter involves filling up a number of gorges, bridging the gap between two spurs, and whenever a particularly large hill is encountered, it is preferable to tunnel through the heart of it rather than climb all up it.

"All such conditions are to be seen on the Bhor Ghat The most picturesque of them all—although picturesqueness was not the motive for constructing it—is the Reversing Station Here the track is so narrow that without such a device, further progress would be impossible. The way ahead is blocked by a wide and deep valley, and the place is too narrow even for curves Accordingly the train is halted here, and after reversing its direction has to be taken on the other side of the hill's narrow tongue Construction of the above railway track was begun in 1860 and completed in 1863 From that date up to 1929, i e for sixty-five years, trains used the Reversing Station ; and would have gone on using it, had it not been more and more clearly recognised that the Station was a handicap rather than a blessing, which must be sacrificed despite its topical charm

"It is not to Bombay and Poona alone that the Bhor Ghat is vital, for it controls the traffic of a vast part of South India Anyone may form an estimate of its traffic from being told that sixty trains a day pass up and down this ghat, and even this number of trains is found insufficient If the insufficiency were to be removed, this could be done by building a new track, about which the Railways drew up many plans and devoted much thought, but rejected everything in favour of remodelling the track only so far as to eliminate the Reversing Station

"The new track, like the old one, traverses a long, wide and lofty mountain range, taking off between Miles 74 and 75 (measured from Bombay) and rejoining the old track near Khandala Station Between these two points, the track claims 280 feet, and the problem in building it is how to achieve this rise The old track had a gradient here of 2 87 in 100, compared with a gradient elsewhere of 2 64 in 100 A steeper gradient shortens the route, while a milder one lengthens it ; but a steepening of the gradient makes haulage

more difficult. In this connection three schemes had been proposed, and the one which involved a gradient of 2.64 in 100 was approved. The track length would be 2.11 miles, with a comfortable gradient and easy curves

"This new track called for three major works, the first was filling on a large scale, the second was cutting the hillside, and the third was two tunnels. The Bhor Ghat rock being mostly of volcanic type, it has been found that often it was less costly to tunnel through obstructing masses than to cut them away. It must of course be conceded that tunnelling is generally dangerous Before driving a tunnel, it is necessary to ascertain the structure and attributes of the rock to be encountered Rock which is solid will offer less danger Of the two new tunnels, the last, i e, the one nearer to Bombay, had to go for a short way through hard rock, the rest being soft trap While being dug, this part was surrounded by wooden props Tunnelling through soft material involves the considerable trouble of first excavating a length of six to seven feet, and then arching it in cement, after which a further length is excavated, and so on

"The other of the two tunnels, that which adjoins Khandala Station, is the longest of all the tunnels, 3103 feet When the site of a tunnel is fixed, work proceeds simultaneously at both ends. In the present case, however, the tunnel's mouths were found inadequate, and consequently shafts were sunk from the top of the hill above, right down to the tunnel, and the excavated stone and other material was hauled up by electrically driven cages The other tunnel, with a length of one thousand one hundred and sixty feet, was entirely in solid rock Both tunnels were of equal dimensions and allowed the G I P (now the Central) Railway to run two trains simultaneously on parallel tracks

"The tunnels were excavated by blasting The shot-holes were made, not by hand crowbar, but by pneumatic drills The explosive used was of the gelignite type, on account of its ability to blast even the hardest rock Inside the tunnel, four million cubic feet were excavated, while external cutting amounted to five million cubic feet. Since the whole track runs through hills, huge boulders lie tumbled about on both sides; and to prevent these from damaging the track, side strips are kept of one hundred feet width. The new track includes two large bridges, of which one is forty-five feet high with a build-up of one lakh cubic feet."

When Walchand picked up the news that the Railway wanted

to build new lines on the Bhor Ghat, he put out feelers to see whether he could get this work or not He called on the Railway's Chief Engineer, who was likely to be in full sympathy with him, both as a friend and as one who always relied on the efficiency of Walchand's work; Walchand introduced the subject of the new work, and after all the plans had been explained to him, he asked, "Would you be able to assign this job to the Tata Construction Company?"

"Can you handle it?" laughed the Engineer fellow "Tunnelling is a special science. Who've you got that knows it? For my part, I don't know anybody like that in the whole of India This job is different from what you always do It'll be beyond you You'll land in the soup for nothing"

Walchand was at a loss for an answer He was momentarily non-plussed, and kept silence—yet not for long Now in his turn he asked the official, "Never mind if there's nobody like that in India; but if we look abroad, we must find someone or other If you can remember a name, let me have it."

"Just now there's no such name in my mind," replied the Engineer After a short silence the man suddenly exclaimed, "Why yes! Now I remember, in the Proceedings of the London Royal Society of Engineers, a good while back, a mention of a paper read to the Society by a chap who's retired from Government service in India, about 'Making tunnels in India'. Get busy and see if you can catch hold of that man It'll be worth your while to recruit him in your Company"

"Good," replied Walchand, rising, "I'll get busy and see about it"

No sooner was he back in his office, than he sent an Express cable to the Society. The Railway Engineer had been unable to recall the expert's name, and so Walchand requested the Society to let him have both the name and the address Within twenty-four hours he received a full reply; the man's name was J Polak, and he was currently serving in East Africa, at Nairobi Promptly Walchand cabled to the fellow, "Are you wiling to join us?" Back came the answer, "Certainly, if you are ready to pay the fares of my family and household as far as India, and on completion of the job, to England" Without delay Walchand cabled again, "Agreed. Start as soon as you possibly can."[8] Walchand did not

8 Pursuant to Walchand's cable, J Polak came to Bombay After serving for three or four months, he could not get on with one of Walchand's trusted managers, Shivchandra Banerjee, with whom he had frequent disputes Polak asked to be given sole command of the whole undertaking, to which Walchand did not agree Walchand told him, "You are the expert Just mind your own job It is not necessary for you to pay attention

leave the matter there, but started to assemble all the other things he would need.

To undertake the tunnelling work would entail a reliable and copious supply of electricity and water, which only the Tata Hydro-Electric Company could provide. Now that Company possessed, for its own work, the necessary apparatus for tunnelling and blasting The work for which this had been kept, was finished, and since there was no particular prospect of fresh work, it was lying idle In reply to Walchand's enquiries, the Company at once and right gladly agreed to supply him with electricity, water and machinery.

The first thing Walchand did was to pay the sum which the Company asked and take possession of the machinery; only after this, did he start negotiations for the supply of water and electricity. At that time there was not today's demand for power, and the water was simply going to waste In those days, Walchand's application for water appeared like a gift from heaven At first the Company could not believe it to be true; they thought it must be a joke on Walchand's part Along with his application, Walchand had promised ten thousand rupees as earnest money

The Company called a meeting of its Managing Board to consider Walchand's application. Some members would have it that this was some new joke of his One especially sharp director proposed that, in order to make perfectly sure, they should ask whether Walchand was willing to raise the earnest money from ten thousand to twenty The question was addressed to Walchand over the telephone Walchand being out at that time, the call was taken by his manager, who realized that there was no point in saying that his employer was out; he knew the latter's mind, and was fully aware of what answer Walchand himself would unhesitatingly have given to such a query Promptly he replied, "Certainly, we agree to that", and lost no time in sending round a cheque for twenty thousand rupees

The Board meeting was considerably impressed, and immediately approved Walchand's application. For a little while, they gloated over the profit which their cleverness had won for their Company Seeing that they possessed electricity, water and machinery, the Railway might perhaps have given the tunnel work to them; but by accepting Walchand's application, they had forfeited the opportunity. By using his head, Walchand had smoothly and

to the rest of the business" These words did not please Mr Polak, who was paid off and relieved from service

smilingly eliminated his potential rivals for that work At the moment, that smart director of a Company which considered itself exceedingly shrewd, never saw the game. Very shortly after, when he learned officially about the tunnelling work, he bemoaned himself for having vainly sold the machinery to Walchand. "We too," he groaned, "could have done that work! That fellow has made nice fools of us!" But no amount of moaning and groaning could help him at that stage.

Immediately on receipt of Walchand's cable, the tunnel expert had left Nairobi for Bombay. All else was ready Now Walchand called on the Railway Engineer, told him what preparations he had made, and urged him to invite tenders. The astonished Engineer said, after some thought, "That's all very well But what if the Railway does the job departmentally?"

Walchand was not to be caught He promptly replied, "That would be excellent! By all means do the job departmentally. I'll sell you my machinery at cost price, I don't want even one per cent profit on it If you like, I'll throw in my workers as well Perhaps the work will cost less."

The official was visibly shaken Well did he know Walchand's abilities. All he could say was, "I'll think it over"

Tenders were called for, but Walchand was not worried His tender, although some four or five lakhs higher than the lowest of those received, was accepted The work was worth forty-two lakhs

Under Walchand's direction, the Tata Construction Company completed this tunnelling on the Bhor Ghat in two years Sunday the sixteenth of December 1928 was a day in the life of the Company, as well as of Walchand, to be remembered with boundless pride for ever For Walchand, the ambition of many years was that day fulfilled, he had proved to the world that Indians, in any sphere where they were given the opportunity, could be the equal of Europeans

On that day, at half past three in the afternoon, the new tunnels were opened with full ceremony by the Chief Commissioner for Railways, Sir Austin Hadow. For this ceremony nearly two hundred leaders in various occupations came by special train from Bombay and by car from Poona. While opening the tunnels, Sir Austin said, "An Indian firm like the Tata Construction must be congratulated on having accomplished this huge work, in such an excellent manner, in no more than two years The credit for the work's successful accomplishment must go to Mr. S C Banerjee

and Mr. B. P Kapadia of the Company, who were most ably assisted by the Railway's engineers Mr. Hogarth and Mr Naghiasingh Gill. The sight of this unprecedented work of art, which their combined efforts have achieved, fills me this day with pride and joy "

Next, Sir Austin cut a ribbon of silk stretched right across the huge mouth of the tunnel, which he declared open. The assembled throng entered the tunnel, where tea and refreshments had been organized by the Taj Mahal Hotel After consuming these, all the guests went on a tour of the tunnels—a walk of nearly two miles Excellent lighting was provided by electric bulbs After completing their tour, the guests were treated to a sumptuous repast This was followed by a vote of thanks on behalf of the guests, proposed by the President of the Indian Merchants Chamber, Laxmidas Tairsee While wishing Walchand long life and many similar triumphs of ever greater importance in the future, he observed, "Today Walchand's Tata Construction Company has shown, by its own example, how successfully and capably a firm run by Indians can, if it gets a chance, discharge its responsibilities "

From this day, the public looked at Walchand with new eyes They had received a visible sign that a new and powerful force, in the person of Walchand, had begun to function in the realm of Indian industry

6.

BRANCHING OUT IN A NEW DIRECTION

WHILE building made such progress under the leadership of the Tata Construction Company, Walchand's attention had been drawn to two complementary and auxiliary industries—those of reinforced concrete and Hume Pipes The former's principals were Marsland Price and Company Ltd, while the latter's were the Hume Pipe and Concrete Construction Company (India) Ltd *In addition, two other companies had* been formed to serve as subsidiaries in the business—the Hindusthan Construction Company Ltd (1926) and the All India Construction Company Ltd (1927)

Marsland Price and Company had been founded in 1899 by a European gentleman named J J. Marsland He was shortly joined by another gentleman of the name of Sibley, who however died in the same year Thereafter Marsland shouldered the sole responsibility for some years, and then took as partners a Mr Price, retired engineer of the Kashmir P W D, and a Mr. Willis After working as a private share company up to 1908, it was converted into a limited concern Its factory, at 50 Nesbit Road, Mazagaon, covered fourteen thousand square yards of ground It undertook, and successfully completed, a number of major works in reinforced concrete for the Government, the Railways and the Port Trust In the days of the First World War, the firm's work enjoyed a bright period, but after its conclusion business grew less and less, with no prospects of profits on the former scale Seeing this, the European directors handed over the firm (1919) to Indian capitalists like Sir Sassoon David, Sir Lallubhai Samaldas, Sir Vithaldas Thackersey, Sir Shapurjee Bharucha, and Sir Chunilal V Mehta and withdrew their capital

The firm's new directors mentioned above were a formidable body, and yet its fortunes, so far from advancing, steadily declined It seemed less and less possible to declare a dividend for the share-

holders, more and more difficult for the new directors to discharge their responsibilities. All these directors bore at that time a sound reputation as successful industrialists But of this business whose conduct they had now taken on themselves, it would not be incorrect to say that they were almost totally ignorant The work was left entirely to the care of the firm's European employees, of whom however many had left and gone ; and since it was difficult to obtain knowledgeable Indian employees to replace them, the firm was in a tottering condition. All this Walchand saw, and recommended to the directors a change of managing agency, adding that, if they were willing, The Tata Construction Company was prepared to take it up. Many of the directors were Walchand's good friends, with confidence in his capability They agreed to forgo their interest in the firm and to hand over the managing agency to Tata Construction. Effect was given to this in November 1920

Walchand's first step, on acquiring the managing agency of Marsland Price, was to sack the remaining European employees and replace them by Indians He personally took charge of the firm's affairs Within two years of his taking the reins, the firm, which had been at its last gasp, began to show a marked improvement Tata Construction bought over its two and a half lakhs of Ordinary shares and paid Rs 32,000 for the goodwill, besides advancing a loan of one lakh of rupees for current expenses Between 1921 and 1925 the firm's economic condition improved so greatly that there was no further occasion to incur any debt, in fact, the firm repaid two and three-quarter lakhs out of its previous debts, represented by debentures, and purchased Government bonds to the tune of six lakhs Out of the profits, 65 per cent were tucked away in various reserve funds, while 35 per cent were allotted to the shareholders as dividends [1]

1 A clear picture of the improvement effected in the economic condition of Marsland Price will be provided by the following comparative figures (all sums given in rupees)

[1] 1914-18 under the previous management

Year	Net profit	Agency commission	Interest on preference shares	Interest on ordinary shares
1914	1,09,899	13 608	24,493	15,000
1915	46,434	6,000	24,493	10,000
1916	81,999	9,464	24,493	10,000
1917	1,10,338	12 980	24,493	15,000
1918	39,797	6,000	24,493	—
	3,88,467	48,052	1,22,465	50,000

Managing Agency's average annual commission, 9,647

In this fashion Marsland Price prospered brightly for five years; after which, as a result of the atmosphere of acute depression created in world industry, this prosperity began to wane There being no sign of fresh work, the dawn of each new year saw the income shrink, with inevitable drawing upon the reserves What with paying the fixed dividend on the preference shares and the interest on the rest of the debentures, the firm was in extremis It was now a case of the Managing Agent working without any commission; for the Ordinary shareholders there was nothing From being constantly drawn upon, the reserves became exhausted The six lakhs of Government bonds had to be sold to meet current expenses Finally in 1930-31 it began to appear advisable to go into voluntary liquidation. In view of the adverse situation, Walchand began to think about winding up the firm's affairs

Just then, an unexpected turn offered a chance of revival, of which Walchand contrived to take full advantage The story of this event, and the amazing development to which it gave rise, will be told hereafter in due course For the moment, let us turn to the other two industries which the Tata Construction Company took up, the first was the preparation of pipes on the Hume principle, while the second was the establishment of subsidiary companies for the building work.

At the time of World War I, an Australian by name Hume had begun the manufacture of cement concrete pipes, suitable for the work of water supply, drainage and sullage removal, at Melbourne in Australia. These pipes were made of reinforced cement concrete by a centrifugal process which squeezes to the inner surface of the pipe practically all the free air and surplus water contained in the concrete The result is that unnecessary water and dirt is thrown out and the pipe becomes practically impervious to all pressures for which it is designed As compared with the cast iron pipes then in use, these new pipes were cheaper in price, of more durable

[2] 1921-25 under the new management.

1	2	3	4	5
1921	1,55,720	18,?20	24,493	15,000
1922	3,12,011	38,787	42,000	50,000
1923	1,31,763	11,467	24,500	17,500
1924	1,11 002	13,262	24,500	17,500
1925	1,16,884	12,987	28,000	20 000
	8,27,400	94,823	1,43,493	1,20,000

Managing Agency's average annual commission, 18 934

strength, simpler to handle and more attractive in appearance

A European firm had bought the Indian rights of manufacturing pipes by Hume's process, for seventeen lakhs, and set up their factory in Calcutta. Within a short time of commencing manufacture, the firm had done very well. The engineering fraternity expressed a highly favourable opinion about the pipes Sales went up, and the firm's Ordinary shares rose from Rs 10 to Rs. 28. The pipes were in great demand In 1920, it is said, the firm received orders worth two crores of rupees, yielding a profit of nearly fifty per cent.

On a visit to Calcutta, some time in 1921, Walchand went to see the above-mentioned Hume pipe factory. After a close and critical examination of the pipes' construction, he formed the opinion that India could offer great scope for their manufacture and distribution On his return to Bombay, he suggested to the Tata Construction Company that they too could follow the example of the Calcutta firm, purchase from it the manufacturing rights for the Bombay area in the first instance, and later for the whole of India, form a subsidiary company in Bombay, and start manufacturing pipes of this type The Company agreed that if they established the importance of Hume Pipes for the Bombay Corporation's piping work, as well as for the new expansion of the City, and persuaded the Corporation and Government into using them, there was an excellent prospect of getting their custom Accordingly they approved Walchand's suggestion, and formed the Bombay Hume Pipe Company But very soon, when the Calcutta firm—the Hume Pipe and Concrete Construction Company (India) Ltd—sold their all-India agency to Tata Construction, the Bombay Hume Pipe Company was wound up After some while, the original promoters of the Hume Pipe firm withdrew their shares and made it over to Tata Construction. Henceforth it continued to operate as a subsidiary company

When the control of the Calcutta Hume Pipe firm passed into the hands of the Tata Construction Company, Walchand expected that its management would be entrusted to him This, however, did not happen While Walchand was away for the purpose of taking possession of the firm in June 1921, the Company, without informing Walchand, assigned the management to a European engineer named O. C Ormsby already with the firm. This man, seeing that Walchand was out of Bombay, informed Tata that he would accept the responsibility for the management only on the express condition that it should be placed entirely in his hands and he should

have nothing to do with Walchand. Tata had a special preference for Europeans as against Indians, and trusted the former more; hence he agreed to Ormsby's proposal and appointed him General Manager.

Ormsby had acquired considerable experience through the large amount of work which he had done in the past, both in Africa and in India, on behalf of a firm known as Pauling and Company; and he was a man of intelligence. He had, however, one defect Instead of paying personal attention to his work, he would hand over the responsibility to some raw assistant, and take life as easy as he could. Such behaviour naturally involved the firm in loss After observing this nature of his, Pauling and Company had got rid of him.

Returning to Bombay, Walchand learned that he had been cast aside in favour of Ormsby, who had been put in full control of the day to day work not only of Tata Construction, but also of the Hume Pipe Company. He declared in his anger that his Company had openly and publicly insulted him. That an employee must remain an employee, was his definite view, and no matter how clever and skilled a technician he might be, to entrust him with unfettered power was always a source of danger Refusing his consent to Ormsby's appointment, he informed the Board of Directors that if all the reins of the day to day management of the Tata Construction and Hume Pipe Companies were to be held by Ormsby, he wished to resign his Directorship; moreover, he himself would take no interest in the Hume Pipe concern, and in case any loss should occur, the responsibility therefor would lie upon those who had appointed Ormsby Neither R D Tata nor the other Directors were particularly moved by Walchand's objection, and Ormsby's appointment was confirmed On seeing this, Walchand resigned from the Board of the Hume Pipe Company and from his post as Director of the Tata Construction Company The first of these resignations was accepted, but not the second. Walchand severed his connection with the Hume Pipe management[2]

The Hume Pipe and Concrete Construction Company (India) Ltd, at the time when it was taken over by Tata Construction, had a liability of eight lakhs, with movable assets valued at fifteen lakhs Its original capital had been thirty-eight lakhs When Mr Ormsby

2 Reference · Personal and Confidential Note by Walchand Hirachand on Hume Pipe, 23 April 1923

became manager, the eight lakhs had of course to be paid off, but after that, the off-take of goods fell below expectation and steady losses were incurred, to compensate for which, as a temporary relief measure, the Tata Construction Company had to make a loan to the Hume Pipe Company of twenty-five lakhs. Even so, the distressed economy of that firm betrayed no sign of improvement Shortage of funds continued to haunt it, and requests from Ormsby for money began to pour in. The matter was placed before the Directors of Tata Construction for consideration; and now Walchand could no longer keep quiet. He proposed that a detailed explanation be demanded from Ormsby, of the reasons for the deteriorating condition of the firm. Ormsby was accordingly directed to present himself, and furnish his explanation, at the Board meeting of May 1922. He attended, but offered no satisfactory explanation All that was got out of him, was a vague assurance that "Things will take a hopeful turn before long."

In July 1922 Ormsby went to England on leave. When going, he strictly warned the executives working under him not to show any papers or documents whatsoever, pertaining to the firm's affairs, to Walchand. When Walchand learned this, he became more anxious than ever about the firm's future He began to conduct on his own account a minute enquiry into the whole working. He discovered that not only had the capital of thirty-eight lakhs been swallowed up in excessive and unaccounted expenditure, but along with it the loan of twenty-five lakhs had vanished into thin air He began to harry the Directors with his insistence that the time had come for them to take serious notice of this matter. As a result, the Directors requested Ormsby to give a detailed account of the actual situation. To this his only response was to swear that the position would soon change, to ask for two more engineering experts to be brought out from England to assist him, and to promise signs of improvement within six months.

Walchand continued his inquiries further. The firm's working had reached an utterly desperate state The pipes turned out were full of defects, which had provoked adverse reactions and a falling-off of demand There was recession at every point; of the daily losses there was no end; and almost fifty-three lakhs had been frittered away for nothing. Such was the clear picture of the situation as Welchand saw it, and he showed it to the Directors in all its grimness. "Enough of it? You have followed the mirage of his empty promises for long! Awake to the situation. Don't

wait even for a moment. Think seriously over this slide into economic disaster and see how you would arrest it."

The Directors were convinced They got panicky They cabled to Ormsby to resign; he refused. They then passed a resolution that Ormsby should work under Walchand, and take no action whatever without Walchand's approval.

When his leave was up, Ormsby returned to Bombay He refused to obey the above resolution; but now his truculence had gone as far as it could go If Ormsby carried one gun, Walchand carried seven. Walchand would never surrender the command to Britishers. He firmly told Ormsby that he would have to be sacked on the spot. No alternative being now left to the Directors, Ormsby was sacked The man threatened legal action, but nothing came of it The Company authorised Walchand to sell the Hume Pipe Company's stock, manufacturing rights and goodwill, and to wind up the concern. Thus it washed its hands of this badly damaged business, and got free from it

With Ormsby's departure, Walchand began to clear things up, one by one He began by closing down—or in some cases, selling—whichever of the firm's factories were running at a loss He brought down the expenditure to the lowest possible level, stopped taking fresh orders and advised the firm for some time to accept the role of an "experimental school", with the help of experts Not content with this, he at once entered into correspondence with the author of the Hume Pipe process, Walter Reginald Hume, and in April 1923, he asked him to come

On Hume's arrival, he was shown the firm's principal factory, at Jamshedpur He made a minute and detailed inspection of every department and manufacturing process, and expressed the opinion that the correct methods were not being followed, with no blame attaching to the workers He made a number of suggestions for guidance, of which Walchand determined to take full advantage He made up his mind to reorganize the firm, to do more research and acquire more knowledge before plunging again into production, and to take whatever steps might be necessary for making the flow of production smooth and flawless He should, he told himself, personally visit all centres of Hume pipe manufacture outside India, or send his engineers there, and study their production methods, learn the secrets of their success, listen to their experiences, and only then make definite plans for reviving his Hume Pipe Company.

In May 1925 Walchand and Sir Chunilal V. Mehta, accompanied

by their wives, found occasion to visit England. Sir Chunilal's object was the recoupment of his health; Walchand's objects were threefold—business activities, industrial investigations, and (circumstances permitting) the joys of travel. It was the thirteenth of June when Walchand reached London. For the first few days he was engrossed in certain important matters pertaining to the Scindia Company [3]

Finding a short respite from the above, he visited Nottingham to see the Hume Pipe factory conducted by the Stanton Iron Works Company, which turned out Hume pipes on a very large scale. In its early days of production, it had to face a loss of three hundred thousand pounds, yet its directors refused to be discouraged One managing director named Jones, and one of the firm's engineers named E J Fox, freely told Walchand how they had faced innumerable difficulties and survived crises, and what means they had adopted to recoup the initial losses and establish production on a profitable basis Walchand in his turn recounted exactly what had happened in his own factory, and discussed it at length These discussions enabled him to obtain a good idea of the pitfalls in the way of Hume pipe construction, and of the means to avoid them, and made him clearly realise what mistakes his factory people had committed

During Walchand's stay in London, a five-mile extension was being added to the Underground Railway, and he purposely went to watch the work, which was of a sort that he had never seen before In one of his letters dated 25th June 1925 he wrote, "The mind is utterly fascinated and overwhelmed by this work. Everything is done by machinery, under first-class operators A Banerjee will be no good here [4] The work of this Underground Railway is so difficult and highly technical, that we will have to think long when we undertake underground tunnel in India."

The same sort of work was going on in one part of London, where drain pipes were being laid forty feet beneath the surface, and Walchand went to see it. His astonishment at the sight made him exclaim, "After watching this work I feel convinced that our Banerjee does not know engineering of this character and is not prepared to give entire charge and responsibility to an expert who might turn out to be an Ormsby or a Craig or a Latonche (of Master) There is the difficulty We will however face it and come out alright, I

3 An account of this will be given later in a separate chapter.

4 The reference is to Walchand's Chief Construction Supervisor, S C Banerjee

hope."[5]

The sight of such mechanical and technical works as the Underground Railway and the subterranean drainage left Walchand amazed but not blinded. He had formed a clear notion of what sort of qualified man he would have to keep by him, in case such jobs had to be done, and what kind of preparations he himself would have to make. And when, later, he obtained the tunnelling job on the Bhor Ghat, the work was smartly carried through by that very Banerjee who, he had once declared, could not do such things!

On his way to London in 1925, he had stopped *en route* in Paris, along with his wife and the Chunilal Mehtas He conceived that air travel was cheaper than road or rail, and he flew from Paris to Brussels and Antwerp and thence on to London[6]

Neither he nor his companions enjoyed it much, all of them being air-sick. Walchand vowed never again to set foot in an aeroplane; but the vow was not observed for long When he had to make a business trip to Europe in 1928, in order to save time and fix his stops at short notice, he was obliged to resort to air travel He flew from London to Amsterdam by Dutch Airways Aeroplanes had now vastly improved since his previous flight, and far more scrupulous attention had begun to be paid to the comfort and convenience of the passengers Walchand found the trip both pleasant and restful, and changed his mind about air travel. He realised the importance of air travel, both for swift communication and for the saving of time and energy The same Walchand who had been unwilling to step into a plane, was, a few years after, actually to step into the aircraft manufacturing industry!

After completing his business in England, Walchand spent from two to three days each in Berlin, Vienna and Rome, on his way via Marseilles to Bombay, which he reached in the third week of September.

Ever since seeing the Hume pipe factory in England, his mind had been busied with the thought that he must revive his own factory. He felt that if possible, he should try to take direct advantage of the experience of the Stanton Iron Works; and in this connection he began to negotiate with Engineer Fox. He proposed that the Stanton Company, the Hume Company of Australia,

5 Taken from a letter of a personal nature, dated June 25, 1925, addressed to the Tata Construction Company directors

6 In a letter from Paris, dated 1 6 1925, to the Tata Construction Company, he wrote "I am leaving Paris by air from Brussels and Antwerp on the 12th (June) and will fly from Brussels to London on the 13th Flying comes out cheaper than motoring and train"

and the Tata Construction Company should mutually assist each other to start the manufacture of Hume pipes in India.

Fox was at first agreeable to take action along these lines, but afterwards he backed out of it. Not only that, but he wrote very definitely that, in the said matter, his firm would not be in a position either to grant assistance or to consider interesting itself Walchand was astonished to note Fox's refusal and the arguments advanced in his letter—that same Fox who at the Nottingham meeting had proffered the hand of fellowship, and had talked so big of a glowing future.[7] Yet he did not lose heart. He believed that India offered enormous scope for this industry, and that, if good technicians could be had, success was bound to come—if not immediately, at least in time.

On arrival in Bombay, Walchand placed these views of his before the Directors of the Tata Construction Company, and also narrated his relevant experiences in England After hearing him, the Directors proposed that the Hume Pipe and Concrete Construction Company (India) Ltd be wound up, its stock and materials sold by public auction, and a fresh company formed for the same

7 On return to Bombay, Walchand wrote to the Tata Company's representatives in England, Tuckwell, that he should meet Fox and ask him when he would honour his undertaking to visit India, and communicate to Walchand the replies to this and other queries Tuckwell wrote accordingly from London to Fox at Nottingham, receiving the following reply, dated 29th September 1925

"In reply to your letter of the 25th instant, I am afraid the Stanton Company cannot be of any interest to your Indian Hume Pipe Company

The position in a nutshell being this, that your friend, when he visited us at Stanton in your company made it clear that your Indian interests had put down as much money as they intended to sink and consequently if the Stanton Company came along in partnership with your Company, they, the Stanton Company, would require to provide any further capital necessary

The Hume Pipe from a profit making point of view, has proved a great disappointment to us at Stanton, and I do not know of any country that has made money out of Hume Pipes It is certain that the parent Australian company has fallen on less prosperous times

The pipe is a good one and in point of fact gives very little trouble in working, but the fact remains that after you have delivered the goods, there is nothing left to take to the share-holders at the end of the twelve months I should imagine that the manufacturing troubles will probably be a good deal greater in India, with her difficult climate, than they are with us in England, with our comparatively moist climate

In other words, I do not see the slightest chance of our being of any assistance, or interest, to your friends in India on this particular subject In fact, so strongly do I feel on the subject that I do not even feel it worth while taking the matter to my board "

The truth of the matter was that, for all Jones' and Fox's vaunting of their firm's capacity, and notwithstanding all their assurances of help, their firm did not possess the funds for sinking capital in India Another London representative of Tatas, N M Muzumdar, while writing (October 5, 1925) to Walchand about this matter, observed

"Briefly I would rather disillusion any hopes that you may still have of any assistance either from Fox or Jones, neither of whose companies have the money to go out to India, even if they had the initiative and the enterprise "

industry. Accordingly, 1926 saw the formation of "The Indian Hume Pipe Company Ltd." which bought up the stock and materials of the old company, and began to function under Walchand's command

The control of the new Hume Pipe Company had passed wholly and exclusively into Walchand's hands. In matters of production, organization and usage, he had been given full authority to effect such improvements as he judged necessary, in the combined light of his earlier and more recent experiences For these purposes the Company had earmarked one lakh of rupees

Walchand's hopes of being able to re-establish the Hume pipe business on a firm foundation, under the experienced direction of Fox of the Stanton Iron Works, had been frustrated when that gentleman went back on his word Nevertheless, he adhered to his resolve, and commenced attempts to get assistance from the Hume Pipe Company of Australia[8] He needed a technician with practical experience of working in a Hume pipe factory, a Works Manager, and a Salesman The Australian company gladly agreed to send him the above personnel, together with such other information as he might require Three names were proposed, but a glance at the figures set down for salaries and other allowances showed that, in the prevailing state of his company's finances, to support these three would be beyond him. Moreover, a South African Dutchman named R Van Niekerk, who had formerly done managerial work at the Jamshedpur factory, was ready to join This gentleman Walchand therefore decided to re-appoint as manager at Jamshedpur, where he was to run the works for some time as an Experimental School.

Walchand now began to think that, rather than conduct his factory by importing experts from Australia or other foreign countries, it would be more advantageous to send, as soon as possible,

8 In a letter to the Hume Pipe Company (Australia) Ltd, dated 10 October 1925, he wrote

"The undersigned returned from England recently He had an interview with Mr Jones in London and visited the Stanton Iron Works (Hume Pipe Department) at Nottingham After this visit and taking in view the immense possibilities for development of this Industry in India, he is inclined in favour of giving the industry another chance, if co-operation on reasonable terms from Australia was forthcoming

"If, however, Australia is not prepared to find any capital, not even the working capital, Bombay will try to re-start on its own with Miyagam and Jamshedpur, selling Mandalay In the later case, will you please let us know if you can send us a good man of the type of Works Manager or Senior Foreman and another man with necessary education and social standing, but fully conversant with making of Hume Pipes, who will be useful in canvassing orders, removing the prejudice in the minds of Engineers of Public Bodies etc, and lay down the specifications etc, for the factory Foreman to make pipes?"

his own Indian technologists and technicians to Australia, get them trained, and thereafter conduct his factory through them. He made enquiries whether the Australian Hume Pipe Company could arrange such training, to which he received a favourable response. He accordingly arranged to send to Melbourne two young technologists serving in the Tata Construction Company, V M Meswani and T G. Patel. The former of these was a B Sc. (Hons) of Manchester and London Universities, the latter a B E of the University of Bombay. Walchand arranged with the Company that they should continue to draw their regular salary, together with their fares both ways and an ample additional allowance They sailed from Bombay in the first week of August, reaching Melbourne via Colombo in the last week of the month (August 23) Before reaching Melbourne, their liner docked at Adelaide (August 20) for ten hours, during which period Meswani and Patel visited the local Hume pipe factory Even in such a short time, the manager contrived to show them pipes of twelve feet length, septic tanks, and telephone booths complete with windows and doors, all in actual process of construction, and zealously supplied them with information.

The two technologists passed six months in Australia From the day they set foot in Melbourne, they donned workmen's togs, mingled with the other workmen, and began to work with their hands alongside the rest The sight of this created a good impression, right from the start, among management and labour alike In Australia the working classes are not considered inferior as they are in India, and they get good wages At that time, a workman's lowest wage was £4-10-0 a week, the natural consequence of which was that their standard of living was also high and they lived in decent condition Every workman there is literate and has refined manners; everyone treats his colleague with brotherly feeling Work begins right away with brotherly greetings, in the factory they all look on themselves as brothers The whole atmosphere is merry and jolly Thanks to this, within a very few days Meswani and Patel became one with them In such an atmosphere, they found no difficulty in acquiring the training which they had come so far to obtain. The factory experts looked on them as one of themselves, explained all their problems ungrudgingly, and enabled them to solve them for themselves

The two technologists were requested by the engineers of the Jamshedpur factory to obtain clarifications of numerous technical points In such cases they would secure an explanatory clarification

from the Melbourne experts, and post to the Jamshedpur technologists a solution to clear up their technical difficulties, thus affording Jamshedpur material assistance in its current experiments. Now and again the two would visit plants in other Australian cities, assume the role of students of the production at those places, make detailed inspection, and send periodic reports upon them to Walchand. The latter had given instructions that all letters addressed by Meswani and Patel, either to himself or to the Jamshedpur factory manager, should be read and discussed by all the technicians. In so doing, Walchand's object undoubtedly was that his staff should possess up-to-date knowledge of all advances being made in respect of Hume pipes, whether of concrete or of steel He was anxious that his people should in no wise lag behind the West in knowledge of mechanics.

Meswani and Patel did not rest content with merely seeing plants for Hume and other pipes, but also visited plants for engines, farm machinery and appliances, electrical goods, and so on They hoped to give their Company, on return to their country after six months, the benefit of all these inspections and experiences, and Walchand constantly encouraged them regarding the fulfilment of these hopes And when his technologists returned from their training in Australia, Walchand set up his Hume pipe factory at Jamshedpur afresh, to begin the construction of pipes with renewed zeal and in a planned fashion.

By now Walchand had formulated a clear-cut policy with regard to the running of a factory. This was, that on no account should a foreigner, be he ever so suitably qualified, be allowed to hold the reins of management, nor appointed to a key post; when necessary, his advice should be obtained, the merits or demerits of which should be considered and debated by Walchand's associates, who would then decide upon the course to be followed, and go ahead in the strength of their own skill and intelligence, without putting themselves in that foreigner's power. And just as no foreigner should have a hand in his management, so his Company should also be free from any element of foreign capital In all his business affairs, Walchand observed this policy to the letter

He used to say that, instead of crying aloud for foreign capital to help them, they should shout their loudest to demand help, as of right, from their own Government. "If we ourselves develop our industries," he would assert, "sustain them on our own capital, retain them under our own control, and run them with our own men, then

they will prove all the more beneficial to our country. Thus shall we enable ourselves step by step to regain our own markets, which we have lost to foreign goods. With plentiful employment for our people, we shall lessen the degree of our present total dependence on agriculture. We shall strike a favourable balance between agriculture and industry. Eventually, the increase in our national income will begin to raise the economic level of the common man In these present days when scientific research and ever new techniques in industry multiply, as never before, the means of production, when each day sees some revolutionary change in production methods, to seek to expand one's business while ignoring all these, is the height of madness. We must show ourselves no less willing to shoulder the burden of duly studying new techniques and production methods, and making use of them In this matter, the assistance of Government is a sheer necessity; without it, no matter in which country, the rapid growth of industry is virtually impossible."

Walchand began his industrial career at a time when India was under foreign rulers These reckoned that the rise and growth of new industrial concerns in the country would be a blow to their compatriots', i e, fellow Britons', concerns; hence the above expectation of aid for Indian industries could never materialise Such a handicap never weighed Walchand down. He followed his independent path, seizing every circumstance favourable to his occupation, and accepting people's help whenever and to whatever extent it might be given The thought of success or failure troubled him never; all that he asked was that his own people should never fail in their sympathy with his actions. As he says in one of his speeches, "Burning the midnight oil, and devouring a few books, will not confer the mark of a successful manufacturer in any university whatsoever; that can only be won by direct experience of the job and the enduring of its toil and trouble. Even after enduring all these, if a man fails to achieve success in his undertaking, I cannot see why he should be made the butt of criticism. He who would follow a trade is set on a thorny path, where he must contend with innumerable obstacles; oft-times he must forfeit both property and honour alike. In such a plight, his only comfort will be that he at least made the attempt to establish an industry. And if to that extent he has looked for people's sympathy, it will be right that he did so."

In the new Indian Hume Pipe Company's first year of working, in addition to Jamshedpur, Hume pipe factories went into production

at two other places—Miyagam in Gujarat and Mandalay in Burma. When Messrs. Meswani and T. G Patel[9] returned from Australia, Walchand made them start new factories at the Bombay suburb of Bhandup (Mr Meswani) and Anand in Gujarat (Mr Patel). Later, when the Sukkur Barrage contract was won, factories were opened at Karachi and Hyderabad in Sind. Afterwards, the Company got the Sholapur Power Supply and Poona Water Drainage Schemes For constructing the pipes required for these, a factory was opened at Sholapur, and Meswani was appointed to it.

From the first, Walchand followed a policy of decentralisation; rather than concentrate the fabrication of his goods at one single spot, he preferred to have it at all the different places where demand was possible Such a method affords a guaranteed market for the local raw materials and daily employment for the common people, besides reducing the costs of production and transport Another definite purpose of Walchand's was that the growth of business should become a growing source of employment to his people In accordance with this policy, in the ten years (1926-36) during which he was at the helm of the Hume pipe management, he opened pipe construction factories in twenty-six different places; these were not confined to India, but included also neighbouring countries such as Burma and Ceylon

The Hume Pipe Company now began to fabricate pipes of many kinds At this time the Bombay Government had a zealous Executive Engineer with special experience of the architecture of minor irrigation works, Rao Bahadur V N Parulekar, whom Walchand took into his service, and from whom he obtained designs for drains, sullage effluent pipes, and irrigation outlets, in accordance with which he began to construct pipes of various patterns and other things Thus was the path made easy for the Hume Pipe Company to enter new fields and to achieve a rapid expansion.

The advantages claimed for the Hume reinforced pipes by the Company were · (1) Cheapness, (2) Durability; (3) Tightness of joints and general imperviousness; (4) Repairability; (5) Improvement in strength by age, (6) Absence of incrustation and modulation, (7) Power to stand water-hammer better; (8) Improvement in discharges after use, due to the diminution of the co-efficient of rugosity, giving a value of N in Kutter's formula from 0 011 to

9 Walchand again sent T G Patel in 1931 for making a close study of Hume pipe construction, to Europe, America, Japan and other places On return from this tour, Patel presented a lengthy report, in the light of which Walchand promptly instituted attempts to introduce new improvements into his pipe construction.

0.0105, (9) Correctness of the section *vis-a-vis* the stoneware pipes which get out of shape in the course of manufacture and form 'tears' in the process of glazing which serve as nuclei for various adhesions which decrease discharge; (10) Facility to jointing; (11) Greater elasticity and tensile strength compared to stoneware and cast iron pipes; (12) Less number of joints compared to stoneware pipes and therefore less cost and less leakage; (13) Saving in the cost of land acquisitions in case of Hume Pipes are used for distributing water fields, leaving aside the question of cost of construction and maintenance of water courses; (14) Elimination of loss by absorption and evaporation in branches and water courses which varies from 40 to 50 per cent of the total discharge. The introduction of Hume pipes will thus greatly improve the financial aspect of irrigation projects, (15) Hume pipes are not affected by chemical action, as testified by several Australian and New Zealand authorities; (16) Hume concrete, centrifugally made, possesses the greatest density of any concrete made by any other process. It is 10 per cent more dense than ordinary best reinforced concrete work

Walchand's progress over this period deserves some study. In 1936 the Company's five lakhs of capital had turned into sixteen lakhs; stocks had risen in value from Rs 3,78,992 to Rs 19,78,875; sales had gone from Rs 73,503 to Rs 15,46,121; and the initial two years' deficit had been recovered and converted into a profit of Rs 4,10,930 From 1931 the shareholders were getting regular dividends free of tax[10]

In 1936 Walchand placed the entire responsibility of the Hume Pipe Company on the shoulders of his younger brother Ratanchand who had assisted him since 1931 in supervising the work in the capacity of "Director-in-charge", and applied himself to the task of developing other industries

For its first five or six years, the Hume Pipe Company had to struggle very hard to consolidate itself and then make some advance Yearly some two or three factories were opened at fresh places. Moreover, with a view to eliminating competition from his field, Walchand bought back in 1932, for five lakhs of rupees, the pipe-manufacturing rights for the Punjab region, together with the factories at Lahore, Karari (near Jhansi) and Kanhan (near Nagpur)

10

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Dividend	6%	20%	10%	4%	12%	26%

which the previous management had sold to the Abbott Company. On a trip to England in 1931, Walchand negotiated with a Mr Clifford for the construction of steel pipes, and secured his assistance, a common agreement being drawn up for this in April 1932. Walchand also obtained the help of the Australian Hume Pipe Company for this work, and sent one of his electrical and mechanical technologists, M. H. Shah, to Melbourne for training, and got him primed with the relevant techniques After doing all this, he fitted up the Marsland Price Company's factory at Mazagaon in Bombay with new machinery for fabricating steel pipes, and started its working under Shah's supervision.

All these factories, however, could not find work commensurate with their capacity. People who had sunk capital in dealing in the foreign cast-iron pipes then in common use, naturally saw a risk in allowing the market to be captured by the more cheaply priced Hume pipes. Interested quarters cast doubts upon the Hume pipes' durability, upon their capacity to contain a large flow of water, or support a heavy weight of earth, for a long period ; after some time, it was alleged, they would disintegrate, crack or break up And our people, always scared of anything strange or new, fall an easy prey to deliberately fabricated suspicions We greatly lack the attitude which examines what is new in a new thing, how precisely it differs from the old, and how far it will really give better service at less cost ; which puts it to the test, and only then arrives at a decision. He who would introduce some novelty, therefore, must be prepared to face from the start cold-shouldering, disappointment, lack of enthusiasm, and thoughtless adverse criticism

Of all this, Walchand was well aware He summoned all the doubt-mongers and gave them a practical demonstration. Covering the pipes with a six inch layer of earth, he drove over them road rollers, steam engines, mechanical vehicles, and so on, and demonstrated the Pipes' toughness to the doubters. By degrees, the water supply, conservancy and road-building technologists were convinced of the pipes' strength and suitability, and began to place more and more orders From 1936 onwards, the demand steadily increased, necessitating a corresponding increase in the Hume pipe factories Along with concrete pipes, the Company began to fabricate various different articles, and steel pipes.[11] The method by which Hume

11 The articles now manufactured included 93-inch diameter pipes, storm-drain pipes, reinforced cement concrete pipes, septic tanks, water cisterns, drains, manholes, garbage receptacles, lamp-posts and fence-posts, sentry boxes, telephone booths, etc , etc

pipes are made is one which obviates the rusting to which iron and steel pipes are prone. With the onset of rust, the inside of a pipe becomes rough, and in many cases impedes the flow of water. The inside of a Hume pipe being always clear, the water is not held up. Only, Hume pipes cannot resist the flow force to the same degree as cast iron or steel pipes. Realising this fact, Walchand began the construction of steel pipes coated internally by a special process—one which Hume had already followed in his factories at Melbourne, Sydney and Singapore

For the purpose of understanding this technique of steel pipe construction, Walchand sent his three young technologists—Anant V. Gharpure, Purushottam Shridhar Deo and V N Gore—in 1936 to Australia , in 1937 he similarly sent D. C. Patel, C. M. Shah and Chinwala. In March of this same year, India received a visit from Walter Hume Walchand induced this man to inspect his factories at Jamshedpur, Delhi and Bombay, and to submit a detailed report. He further held discussions with the fellow. After all this had been done, he engaged his technologists, with their newly acquired experience, in effecting fresh improvements in the factories [12]

In the course of improving the Hume pipes, it became necessary also to consider flux and its chemical requirements, for which purpose Walchand set up a separate research laboratory to serve the factory and made some of his mechanical technologists conduct experiments there. V. M Meswani says,[13] "At this stage, Seth Walchand advised us to put up a foundry for making Hume pipe moulds which called for castings for end-rings, as well as for runners of the spinning machines. This enabled us to make a number of components of the machines such as Mixers, Bending Rolls, etc

"Seth Walchand then thought of manufacturing steel rods required both for the Hume pipes and for welding electrodes For this purpose, he advised us to put up a steel furnace and a rolling mill at Wadala, which were duly established.

"With the Hume pipes becoming more and more popular, Seth Walchand advised us to improve the quality of the Hume pipes and with this objective he created a nucleus of young Engineers whose

12 On his return from Australia, Deo began to make the necessary machinery for fabricating steel pipes in the Hume pipe factory at Mazagaon, under his own supervision In a letter which he wrote to one Horace Foley at Melbourne (September 30, 1937) he said, "If you will be interested to know that we have begun to manufacture to 12" dia H S pipes on a production scale on our new continuous former type of Hume steel machinery, manufactured here under my supervision after my return from Australia."

13 Note written by Meswani for the present Biography

main function was to go round the whole world and undertake practical tests to develop welding reinforcements, eliptical type of reinforcements, as well as humeogeneous pipes, which had a considerable advantage over the ordinary hume pipes. Tensile strength of the concrete of the humeogeneous pipes considerably exceeds the tensile strength of the ordinary spun hume pipes which, together with properly welded type of reinforcements, enable use of the humeogeneous pipes for high pressure gravity mains as well as reasonable pressure for pumping mains

"With the development of Hume pipes, humeogeneous pipes and steel pipes, Seth Walchand thought of developing steel tubings and permitted us to experiment and make suitable machines with which we ultimately produced ½", ¾" and 1" galvanised types of pipes in length of 20/25 ft., which could be used in the commercial market, for water supply tubes.

"While we were considering this project, Seth Walchand felt that it would be necessary to have Stoneware Pipe Factory tied up with the Indian Hume Pipe and, accordingly, collaborated with Messrs Stoneware Pipe Co, Madras His idea was that for smaller house connections, etc., where stoneware pipes were essential, he could also introduce the Hume Pipes along with Stoneware Pipes, making it possible for the Indian Hume Pipes to offer a complete project, starting from house connections to main disposal lines

"Thereafter, Seth Walchand saw the potentiality of the market for larger type of steel pipes for Hydro-Electric Projects With this idea in mind he concentrated on investigating the possibilities of utilising welded steel pipes of heavier sections and bigger dias, which were uptill then imported from abroad or were made with reveted joints"

As soon as manufacturing began on the above lines, Walchand started in pursuit of plans for widening the use and scope of his products After the Great War, in many parts of India new towns had been occupied, while old ones had been added to and improved New schemes for the convenience and safety of their citizens were constantly being prepared. Feeling that he should take advantage of these developments, Walchand began vigorously to popularise his Hume Pipes.

At this time a European Superintending Engineer in the Public Health Department of the Bombay Government, one A P. Maddocks, had recently retired Walchand obtained his services and with his help, developed the idea of drainage and water supply projects for

smaller towns This engineer Walchand attached to himself as consultant and placed his technologist Deo under him These two he instructed to travel through India, Burma and Ceylon, where they were to visit all new towns under construction and all old towns being rebuilt or extended, to examine the situation, to meet the persons concerned and persuade them of the utility and cheapness of the pipes and other articles manufactured by Hume pipe, if necessary, to frame building plans for health purposes, and time permitting, even to accept the responsibility of carrying them into effect, to negotiate agreements, where municipalities might find themselves unable to raise spot cash for purchasing the pipes, granting facilities for payment in five years at 7% interest, and to demonstrate their readiness to supply the pipes and other articles In accordance with the above plan, the two toured India, Burma and Ceylon for almost one year and a half (1932, 1933) [14] The tasks principally entrusted to them were investigation, observation, consolidated information regarding the local situation, and business-like exposition of the Company's undertakings These they performed admirably. From sharing the company of an experienced and influential European technologist like Maddocks, a young technologist like Deo could understand how essential it is for a manufacturer to possess an inquiring mind, a sense of reality, disciplined thinking, alertness to grasp new ideas and experiences, and shrewdness in winning customers

14 During the tour of this Maddocks, we find letters being addressed by "Walchand & Company, Managing Agents to the Indian Hume Pipe Company" to the engineers of numerous Indian princely States in the following terms

"We would like to enquire if you are considering the adoption of any scheme for improvement of the water supply or drainage of any of your towns Cases have come to our notice where Municipalities, while anxious to investigate the possibilities of improving their water supply and drainage on economic lines, are unwilling to incur the heavy fees levied by Government for technical advice and supervision if the work is entrusted to them

"We are pleased to inform you that we have secured the services of Mr A P Maddocks, B Sc (Birm), M S C E , M I E W E F R (San), I M I E , in the capacity of Consulting Engineer, Mr Maddocks who retired a few months ago as Superintending Engineer, Public Health, Government of Bombay, will be in x x x x on or about the x x of March 1933 when he will have pleasure of calling on you to discuss any scheme you may have in view If you keep all the available details ready at the time for his information, he will be in a position to advise you on an economical and efficient scheme or to modify any proposed schemes if necessary These services are offered gratis with an object of introducing Hume pipes wherever they are found to be feasible only by using Hume pipes, other pipes being prohibitive in cost "

Maddocks had thought of even visiting Kabul in Afghanistan, for which he had secured the Afghan Government's permission This however was received after much delay, by which time there was severe cold in Kabul, necessitating a postponement of the visit , thereafter, for one reason or another, the trip never materialised

Keeping by him young technologists like Meswani, Deo, Patel, Shah and Chinwala, who kept alive the hope of showing something fresh, and giving these a broad education with every opportunity to make new experiments, Walchand made a thorough success of improving his Company and increasing its business Leaving aside those helpers who brought their fresh vision, their up-to-date and detailed knowledge of construction, organization and selling, the unchallenged leadership of the Indian Hume Pipe Company during the years 1936 to 1938 constitutes a living example of how rapidly a business can go ahead, even in the teeth of adversity. In 1935-36, the Company's twenty-six working Factories had annual sales of only Rs. 15,46,121. In the next two years, with the addition of six more factories, this figure jumped to Rs 33,94,242 For these doubled sales, it would be no exaggeration whatever to say that the Australia-trained technologists Gharpure, Gore, Meswani, Patel, Deo and Shah, with their professional knowledge and experience acquired through travels and friendship with technicians, must have been to a large extent responsible

Alongside Hume concrete pipes, steel pipes began to be fabricated in India, which resulted in a decline of foreign imports and a saving of lakhs of rupees. This industry opened a new field to Indian mechanics and technologists

The Hindusthan Construction Company Ltd..

The above company was meant for the construction of dams, electrical station buildings, tunnels, bridges, steamer piers, airfields, canals, factory buildings, and so on, as well as working stone quarries, in India, Burma and Ceylon. It was formed as a subsidiary company by the Tata Construction Company on 27 January 1926, and its managing agency was allotted to Walchand and Company At the outset its fully paid-up capital was one lakh of rupees, but by periodic increase this sum in 1935 reached twelve lakhs The Company's growth and progress were phenomenal. In its first year it accomplished work to the value of only Rs 16,60,236, but a mere dozen years later, in 1938, this figure stood as high as Rs. 78,70,122 It opened a number of branches in India, Burma and Ceylon Its outstanding achievements include the Bombay Municipality's Vaitarna Dam, long railway bridges over the Irawati, Meghna, Narmada, Godavari and Krishna rivers, and the work of sinking caissons under compressed air for the Ava Bridge on the Irrawaddy

in Burma,[15] as well as buildings for the electrical power station of the G I.P. Railway.

All the above works involved crores of rupees and a very high degree of engineering skill and responsibility. Through the success therein achieved, the Company did not merely add to its prestige and influence; by outstripping the other large firms in the construction field, it won for itself a position of absolute supremacy. From its foundation it never knew a single year of loss. In its first and second years it paid successively Rs 200 and Rs. 500 as interest on its thousand-rupee shares. Between 1926 and 1938 it paid dividends averaging twenty per cent.

The All-India Construction Company ·

This was established as a subsidiary company, similar to the Hindusthan Construction Company, on 27 January 1926 It was chiefly allotted works in Sind and the North-West Frontier Province. During the twelve years 1927 to 1938, its major achievements were the North-Western Railway's huge bridge across the Indus near Kalabag, and the rebuilding of the Cantonment areas destroyed by the earthquake at Quetta and Chaman The first of these, the tender being lower than the rest, was obtained without difficulty; but the second was only won after a lot of contriving This latter contract was for eight and a half crores, to be completed within three years Since it was an affair which promised prestige along with substantial profits, a number of European firms were making strenuous efforts to get it Walchand's eagerness for it was considerable.

In Quetta, however, the Army ruled everywhere, with the result that Walchand's representative experienced the utmost difficulty in even approaching the senior military officers, in order to get the specifications; whereas the representatives from other countries were saved from this trouble by their white skins. When these circumstances were brought to Walchand's notice, he thought that he could get over this obstacle by recruiting a high-ranking English officer, recently retired, with experience of working as Engineer in the

15 The Burma Railway published a brochure of information about this Bridge, in which the following note occurs regarding this work of the Hindusthan Construction Company "Messrs The Hindusthan Construction Company Ltd, of Bombay carried out the Caisson sinking under compressed air and the masonry work in the river piers It is interesting to note that these contractors employed amongst others a number of Burmans on compressed air work. This Company was represented at the site by M C Master as Resident Engineer assisted by Messrs Banerjee, Mukerji, Vaidya and Godbole"

army, and entrusting the task to him. He set on foot enquiries for such an individual, yet with no success in India. He then instructed his Chief Manager, Shivchandra Banerjee, who had proceeded to London about that time for Hindusthan Construction Company business, to insert advertisements in this connection in the Personal columns of *The Times, The Daily Telegraph* and *The Engineer* The advertisement brought thirty replies, out of which Walchand selected the application of Brigadier E.M S Charles. This fellow had been for some time (1928-32) Chief Engineer to the Southern Command, was well acquainted with the senior officers in India, and possessed considerable influence with the Quarter-Master General. One of his brothers had previously served in the Waziristan Command, as Walchand learned ; and this fellow now occupied a high post in the British War Office If an individual with such important connections could be taken into his employment, Walchand foresaw a possibility of being able to secure the Quetta job He directed Banerjee to start immediate negotiations with Brigadier Charles This man's terms for joining service were a monthly salary of Rs 1,600, a bungalow for residence, the use of a car, first-class travel allowance, and a five per cent share of net profits The cost of this was heavy, involving an annual outlay of nearly Rs 35,000 for this one individual. In case, however, the man should prove instrumental in securing not only the Quetta work but also military jobs in other places, it could not then be reckoned as so heavy If Walchand's Company could succeed in getting such jobs, there was a possibility of its winning, besides money, considerable prestige and reputation as specialists in military works. There was a prospect of new young Indian engineers being trained up under him for future jobs And in the context of this work, the possibility was offered of an excellent opportunity of starting and developing a Hume Pipe business in those areas [16] Taking all these factors into

16 In a letter to Banerjee dated 28 November 1935, Walchand clarifies his policy in the following terms

"I think we should now take the risk of spending about Rs 35,000 a year in search for Quetta work We understand about eight and a half crores of rupees are proposed to be spent, of which a crore and a half comes during the next financial year If we canvass properly and get even 10 per cent of the total work during the 3 years, our outlay would be justified Not only that but appointment of Brigadier Charles would be a good general advertisement throughout the Military circles in India for our firm We missed Imperial Delhi and I do not want to be left behind in the case of Quetta That is why we have decided to have a workshop there as also a Hume Pipe Factory even on speck All these things help in creating the atmosphere As regards the structural workshop, I think, it will be a good investment and very useful, because all the fabrications expected would be of a very light nature As regards our competitors whether Richardson or Braithwaites, we will have a great pull for quickness as also

consideration Walchand accepted Brig Charles' terms, recruited the man on a one-year agreement from January 1936, and turned the Quetta business over to him.

In Quetta, to stop a high-ranking former officer like Charles, was out of the question The officer in charge of giving out the contract had once served as a subaltern under this very Burra Saheb Now, the supply of particulars regarding the tender, and confirmation of the tender when offered, presented no difficulty whatever Although Walchand did not obtain the entire work (nor had he expected so much) it seems that he got the one crore's worth of work which he had anticipated Despite his unfamiliarity with this region, Walchand set his ingenuity to work in the above fashion, and nicely established his company there With an authorized capital of ten lakhs, the Company had a fully paid-up capital of two lakhs From the very beginning it operated at a profit

The building work was expanding at this smart pace, and it was necessary at the same time to be prepared to face a stiff challenge from foreign contractors, sometimes even at the cost of loss British contractors had made the construction business—especially for the railway—their own private province, and Walchand's inward purpose was to put an end to this and open the way for Indian contractors Thus there were certain contracts for which, even though aware of the prospect of possible loss, he quoted extremely moderate rates, and thus compelled the assignment to his Company of contracts which were likely to have gone to those foreigners

On a certain occasion he enforced the assignment of one such contract to the Tata Construction Company's subsidiary, the All India Construction Company. The North-Western Railway proposed to build a great bridge over the Indus near Kalabag, and an English firm, the London Foundation Company, had been agitating to get the work This firm had a name as specialists in bridge-building, hence, and because they possessed up-to-date apparatus like pneumatic sinking plant, and employed clever engineers familiar with its working, most of the bridging work over Indian rivers went

cheapness There will be nothing heavy or complicated to fabricate and, therefore, one of your young Mechanical Engineers will be all that we require If, however, we get more work or bigger work, we can increase the workshop and employ a better type of a man Having decided to have a Military Engineer to canvass, let us get the best man Many times we have found it difficult even to get access to the various Military Departments, for obvious reasons they like to keep things very secret I would, therefore, like you to make the best terms with Brigadier Charles"

to them. This prescriptive right of the London Foundation Company it was for Walchand to annihilate.

In the past, some firm or other had obtained pneumatic sinking plant for such work, but since no work had come, the plant was lying idle, and Walchand had bought it up He planned to use it after securing the Indus bridge construction work, and he filled in his tender accordingly. He named a figure which ruled out all competition. When the tenders were officially opened, it was found that as against the London Foundation Company's twenty-four lakhs, Walchand had quoted fourteen lakhs—a difference of ten lakhs! Such a great degree of difference is seldom found, and the astonished Railway Engineers began to suspect that Walchand's Company might have made an error somewhere in calculating Sharing the same suspicion, the London Foundation Company's representative proposed that his rival's tender should not be considered until his figures had been checked The Railway Chief Engineer therefore invited Walchand to meet him with details of his estimate figures, and satisfy him A meeting of both sides was arranged. Walchand began by firmly declaring, "I have fixed all my rates after the most careful consideration of every detail I do not find that any reconsideration is called for"

"That's all right," observed the Railway's Chief Engineer, "but how will this work pay you? To me at any rate it appears clear that you will get into certain loss over it A river bridge calls for strong and flawless work It must stand up to our tests And so, cost-cutting anywhere won't do at all"

"Why you should think about whether this work will pay me or not, Sir," retorted Walchand, "I fail to understand All that the Railway has to consider is whether the job is done according to specification or not, whether the conditions have been observed, and whether it stands up to their tests or not Supposing, Sir, you order a chair to be made of special design. One man quotes you a hundred and fifty rupees: I quote one hundred For you to ask me how I can do it for a hundred, will be considered beside the point All you have to see is whether the chair comes up to your expectations or otherwise The same must hold good in the case of bridging work. My apparatus and my men are before your eyes, you cannot call them less efficient than any of my competitors' apparatus and men. Not only have I got pneumatic plant capable of making an excellent job of your foundations, but I have top-flight technicians and engineers I am positive that within the

figure I have quoted, I can get work out of them which will stand the Railway's tests In that case, what is the necessity of discussing whether that figure will pay me or not ?"

The Railway Engineer found himself unable to answer The London Foundation Company's man, who had come all prepared to go into Walchand's figures and cut him to pieces, sat in a daze. There was no discussion. The Railway had no option but to confirm the All India Construction Company's tender.

This bridging work over the Indus at Kalabag went on for three years Walchand's well-tried engineers Maganlal Shah, Kapadia and Billimoria watched over the work day and night, making a full and clean job of it within the prescribed period The Railway could not fault it anywhere. It cost Walchand's Company a loss of only some five or six lakhs, but by a remarkable stroke of luck, an unforeseen event made up the loss in another direction

Only a few days after the completion of the bridge, an unpredictable cloudburst, and masses of ice swept down from the Himalayas, set the river in high flood, the most terrible seen in the last fifty years The earthen embankments serving as approaches to the bridge on both sides were swept away. When the Railway staff saw this, they feared that another such flood might damage the bridge, to prevent which they decided to rebuild the embankments with concrete revetments by the pneumatic process. This fresh job had to be carried through at once and urgently; there was no time to invite and consider tenders Walchand's pneumatic sinking plant had not yet been removed from the site There was really nothing the Railway could do, except beg Walchand to come to the rescue. Of this Company's skill and (still more to the point) its lightning-swift methods of working, they had had experience enough

Walchand immediately undertook the work of building the embankments, and completed it within the expected period The rates demanded now were, naturally enough, higher than the normal. Situated as they were, the Railway had no alternative but to accept them The profit which the Company made out of this additional bridging work wiped out the deficit on account of the original Another sort of benefit which the company derived was that, in future efforts to get river bridging work, it had the great advantage of the experience gained at Kalabag

By eliminating foreign competition in his business, and creating confidence in his not inferior skill, Walchand conquered more and more territories in the field of industry, succeeding through his

bold and far-sighted policies. Not only this, but he inspired the industrial world with a firm trust in his ability and the respect due to his outstanding personality.

Here it seems appropriate to describe another incident comparable to the Kalabag Bridge, although of a slightly different character A bridge was to be built across the Irrawaddy in Burma. The official in charge at Mandalay had called for tenders both for the whole work as well as separate piecemeal tenders Of all tenders received, the London Foundation Company's inclusive tender for all sections of the work was found the lowest, and was accepted At that time Burma was under the administration of the Government of India As soon as Walchand learned that the Irrawaddy Bridge work had gone to a British firm, he went to Simla and filed a complaint before the Railway Board that this amounted to a breach of the Stores Purchase Rules

Now the purport of these rules[17] was that whenever Government was to purchase stores, or get any sort of work done, it must give preference to goods made in India and to Indian manufacturers When Tata Construction's subsidiary, the Eastern Construction Company,[18] was capable of doing work just as good as this British firm, Walchand asked the Railway Board, how could the Burma Railway officials by-pass it and give the work to a British firm ? The question was well founded. The Railway Board were obliged to direct the Burma Railway to rescind its orders, and give the bridging work to the Eastern Construction Company

On obtaining the Irrawaddy Bridge work, Walchand went to Burma in person, met the Railway officials there, and thoroughly acquainted himself with all the details of the work, after which he asked for a copy of the agreement While reading this, he found that it contained a clause requiring the use of Portland cement of British manufacture He sought to show the Burma Railway officials that this condition was contrary to the Indian Stores Purchase Rules, and that there should be liberty to use Indian cement

17 For the purpose of considering how to provide for the expansion of Indian industry, a Commission had been appointed in 1916, known as the Indian Industrial Commission under the Chairmanship of Sir Thomas Holland In its Report, published in 1918, it recommended that when buying materials required by Government and the Railways, preference should be given to Indian manufacturers Acting on this recommendation, the Government of India opened a department known as the Indian Stores Department This department inspects at the time of manufacture those goods which it intends to purchase, and buys such as it approves of

18 This Company was formed as a subsidiary of the Tata Construction Company on 27 January 1926 Afterwards it went into voluntary liquidation on 30 May 1930

of equal standard They however refused to give way, and Walchand was once more compelled to run to the Railway Board of the Government of India A Board member asked him how much he would save per ton by using Indian cement instead of British, "Two to three rupees per ton", replied Walchand, on hearing which, the Board struck out the proviso to use British cement.

As soon as the Railway Board gave him the facility of using Indian cement, Walchand contacted the manufacturers of this material. The manufacture of cement in India was then in its infancy. It was not much in use for Government or semi-Government building work British Portland cement had virtually captured the whole market After suggesting to all the Indian manufacturers that if they supplied their cement for his work in Burma, it would not only give a very big boost to Indian cement, but at the same time this would win a name for itself Walchand asked them at what concessional rates they could give it The manufacturers perceived that, thanks to Walchand, there was a possibility of selling cement on a large scale, and agreed to lower their ton rate by five rupees

This left only the problem of carriage. The current freight rates between India and Burma were high Walchand approached the steamer companies with a view to trying for some concessions In case these were refused, he would not be much affected, since he had under his own control the Scindia Company's ships ; and, as the other steamship companies were aware, he would use them ! These, after a minimum of higgling and haggling, consented to carry the cement at reduced rates The Rangoon Port Trust also, in view of the large scale on which bags of cement would constantly be landed, showed its readiness to make a substantial concession on its regular dues The grant of various sorts of concessions in this way considerably reduced the figure of costs When the Railway Board granted the facility of using Indian instead of British cement, Walchand estimated a saving of Rs 25,000 But now, with concessions from the steamer companies and the Port Trust too, he was in a fair way to save Rs. 1,75,000

On completion of the bridge, when the Accountant of the Burma Railway minutely scrutinized the figures, he became aware of these concessions of various sorts which Walchand had obtained. He complained to the Railway Board that, by getting these various sorts of concessions, Walchand had amassed an improper profit The Board thereupon called for the papers, examined them for itself, and addressed a personal letter to Walchand asking him what he

had to say about this complaint Walchand for his part gave a plain answer. "At the time when the Board granted us the facility," he wrote, "of using Indian cement instead of British, we had no idea that we should obtain the concessions which we subsequently received. We got those at the expense of our own individual efforts If a contracting firm gets any advantage from these, I can find nothing wrong in it."

This explanation of Walchand's was placed for consideration before the Railway Standing Finance Committee, which recorded its opinion to the following effect. "Whatever concessions, with the gains arising therefrom, were originally not in Walchand's mind, but were obtained afterwards and brought him profit, do not in our view constitute a ground of complaint. Since such gains accrued to his firm purely as a result of his business acumen and professional far-sightedness, his firm is fully entitled to them To deprive the firm of these will not be fitting" Thereupon the matter was filed.

The results of the victory of the Irrawaddy Bridge, in which Walchand checkmated the British contractors and cement manufacturers, were a definite increase in the stature of their Indian counterparts, an encouragement to these to sharpen their powers, and heightened confidence, on the part of both government and people, in their country's own contractors and manufacturers of cement Walchand had not only derived the direct benefit, in an effective manner, of his own intelligence and resourcefulness, but had also indirectly benefited his business brethren Having opened a front against the British, and himself borne the brunt of all the preliminary assaults, he had valiantly repulsed them, leaving the way open to those who were to follow.

7.

TATA'S DEPARTURE : TATA CONSTRUCTION CHANGES ITS NAME

THE Tata Construction Company, which Sir Dorab Tata's ambitious mind called forth in 1920, had not flourished according to his hopes; nevertheless, it had struck a smart body blow at the monopoly of the contemporary British firms, had broken its rivals' stranglehold in the building trade, and had shown vigorous and steady progress

On the other hand, in its first five years, the lack of system and accounting in its two subsidiaries, the Bombay Hume Pipe Company and the Hume Pipe and Concrete Construction Company, outweighed its profits and involved it in a loss of Rs. 64,38,739,[1] leaving it in the grip of serious financial difficulty The responsibility for this lay chiefly with the British manager who supplanted Walchand, and with those Tata family members on the Directorial Board who placed blind confidence in that man The advice which Walchand tendered from time to time, they ignored The fellow O C Ormsby whom they had appointed as General Manager in preference to Walchand, meant more to them and was looked upon as their true and genuine well-wisher If, in that first year when Pallonjee Eduljee severed his connection with the Company, they had refrained from their protracted wrangling with Walchand over the terms of the Manager question, had accepted Walchand's conditions and duly appointed him as Managing Director, and had handed over the entire management to him, then the grim situation which overtook the Company in 1924-25 would certainly not have done so. This claim finds confirmation in the fact that the very Hume Pipe business which brought the Tata Construction Company to the brink of ruin, in Walchand's hands showed such a meteoric rise.

When the Tata Construction Company was born, India was

1 It is found that the two companies between them had a combined loss of Rs 71,90,363 At the time of their voluntary liquidation, their assets were sold for Rs 7,51,624, by deducting this sum from the total loss, we arrive at the net loss given in the text

experiencing such a wave of prosperity as she had never known. For those enthusiastic capitalists who wished to sink their money in new industries, it was a heyday. In the flush of this enthusiasm, Tata launched into building work which was completely different from his regular electrical, iron, steel and cloth concerns Hoping that governments and municipalities would engage him on a large scale, he indulged in extravagant purchases of foreign machinery, in spite of its greatly enhanced prices. However, Government commenced to get its work done departmentally; the recession occurring in India about 1922 prevented the municipalities from finding money through loans; and hence the Tata Construction Company failed to obtain work to the anticipated extent The saw-mill erected at Kalachowki went into loss for lack of orders, and had to be closed down Quantities of machinery were lying idle.

Having suffered an enormous loss in the Hume pipe business, and sustained a loss of seven lakhs over a dispute with the Karachi Municipality in connection with the contract for the stone aqueduct, the Company was beginning to find it difficult even to provide satisfactorily for depreciation. Without writing off the deficit, the Company could not make provision for the loss or for dividends to its shareholders The only course now remaining, was to reduce the paid-up capital by deducting from it the amount of the losses sustained In 1924, September and October, the Company called two Special General Meetings of the shareholders, and placed for their consideration the above proposal, which was passed And so, with the sanction of the High Court, in April 1925 the fully paid-up capital was written down from Rs 65,35,100 to Rs 19,60,530[2] This marked the end of the Company's troubles With Walchand in principal charge of its activities, the reconstructed Company made rapid progress, and the shareholders received their yearly dividends Despite all this, Tata's former enthusiasm had begun to cool From 1929, with Walchand's official appointment as Managing Director, Tata withdrew from the Company's management He was followed by his associates Sir N B Saklatvala, S D Saklatvala and J D Ghandy, who resigned their directorships in 1930

2 The fully paid-up ten-rupee share was converted to Rs 3-12-0, and the 80 per cent paid-up hundred-rupee share to Rs 30, thus it was possible to wipe out the deficit, and henceforth it was declared that the subscribed capital was Rs 19,60,530 instead of Rs 65,35,100 Thus, in the accounts from now on the sums of loss and dividend were kept aside. By this device, although the share-holders were called on individually to bear a substantial loss, after a while, as dividends came in regularly, they not only recouped their losses, but the Company retained its credit and was able to live on and inspire confidence

Many of the industries which Tata had initiated in the post-war years, had suffered excessively and had to be closed down. And for the Tata family's lack of enthusiasm there was one more reason, viz., the sudden death in 1926 of R. D. Tata. As Chairman of the Company from the beginning, he had given his personal attention to its management, and his death was a very severe shock to Sir Dorab. In all these circumstances, it was but natural that he should have lost all heart for taking on a series of fresh responsibilities.

Out of Tata's new industries, only the building business had begun to prosper to any marked extent. Yet the credit for this, as Sir Dorab realised, belonged to Walchand alone. He felt no particular attraction in reaping the fruits of Walchand's efforts, with no contribution from his own side. He began to think of selling his promoters' shares to Walchand, getting out of the Company, and suggesting a change in its name. He even held discussions with Walchand along these lines. He rightly felt that a Company over which he exercised no personal control, and in whose policy decisions he had no hand, should not be conducted in the name of Tata. The next thing was that Sir Dorabji died in Berlin on June 3, 1932, leaving this problem for urgent solution to the Tata family. Letters passed, with a great deal of mutual discussion. Walchand bought all the promoters' shares standing in the names of Tata Sons and F. E. Dinshaw, and signified his readiness to change the Company's name in deference to Sir Dorab's wishes.[3] As soon, therefore, as arrangements were made to transfer all these shares to his name, the permission of the shareholders and Government was duly obtained,

[3] From the correspondence dealing with this matter, we quote the following specially important extract (letter dated August 2, 1932 from Sir N. B. Saklatvala of Tata Sons to Walchand): "You will remember that our late Sir Dorabji was anxious that, since all of us had resigned from the Tata Construction Board and were in no way connected with the management, the Company should, if possible, give up the Tata name. You had then expressed your willingness to comply with his wishes ,but wanted some time before doing so. As sufficient time has now elapsed and your subsidiaries are doing all contracting work, would you now consider the desirability of carrying out his wishes? I am hoping that you will see your way to do so at an early date."
Thereafter, correspondence went on regarding the completion of arrangements for the sale of shares and other terms, and a mutual agreement was reached, by which Tata Sons Ltd., sold their 22,333 promoters' shares to Walchand. Next, it was necessary to get their letter to the effect that, if the Company's title were to be changed, Tata Sons had no objection to the alteration from the previous name of "Tata Construction Company Ltd." and this was accordingly conveyed by the following letter dated July 13, 1934:

"Messrs. Tata Sons Ltd., do not desire to exercise any more the right given to them under your Articles to appoint an *ex-officio* as also a special Director and in fact have not done so for some time past. We would therefore suggest that your Company may now make a suitable provision for the purpose by amending the Articles. We desire that the name of your Company may be changed from 'Tata Construction Co. Ltd.' to some other suitable name."

the necessary amendment was effected in the Articles of Association, and on February 11, 1935 "Tata Construction Company Ltd." became "Premier Construction Company Ltd." All the Company's 35,000 promoters' shares now became the property of Walchand's "Walchand and Company",[4] which also acquired the managing agency.

The two Saklatvalas and Ghandy were followed by another member of the directorial board, Fazul Ibrahim Rahimtulla, who resigned his directorship from 1930, on appointment to the Tariff Board's Sugar Industry Enquiry Committee, on 2 November 1930 As a result of this, from 1932 the Board of Directors contained the names of Sir Lallubhai Samaldas, Madhavji Damodar Thackersey, N. M. Muzumdar, Ratanchand Hirachand, and others Sir Lallubhai Samaldas was chosen as Chairman, and he guided the Company admirably. After his demise on October 14, 1936, the Chairmanship of the Premier Construction Company passed to Walchand.

This Company's principal role henceforth was that of a holding Company. At the close of 1938 it controlled the following subsidiaries :

1. The Hindusthan Construction Company Ltd
2. The Building Construction Company Ltd
3. The All India Construction Company Ltd
4. The Indian Hume Pipe Company Ltd
5. Marsland Price Company Ltd

Walchand it was who first introduced into India the practice of forming the above types of subsidiaries on a large scale, a practice which already existed in America and England Although such companies are independent as regards their business working, the parent company retains control over their capital, the employment of their finance, and their production Out of their share capital, more than half the shares are held by the parent Company, which thus always possesses a voting majority and controls their whole management This sort of company is known as a "holding company" It both supplies its subsidiaries, in case of need, with capital on loan, and also gives them the benefit of its own experts' experience, knowledge and skill. In this way, even when several different companies are formed for several different trades, there is a constant uniformity about their policy and working arrangements These subsidiaries find the strength to march vigorously ahead, secure in

4 All the other directors and shareholders of Walchand & Company consisted of Walchand and his brothers

the knowledge that in the case of no matter what emergency, the parent company stands at their back to encourage, guide or supply them with funds. The parent company in turn finds the opportunity to increase its production without the handicap of responsibility for the day-to-day working; it is free to cast the net of its various industries over the whole country. England shows eight leading industrial companies of this type—Andrew Yule, Macleod, Martin Burn, Jardine Henderson, Duncan, Octavius Steel, Gillanders, and the British India Corporation—which between them control a total of 250 subsidiaries.

Walchand kept the Premier Construction Company to this role of holding company; he began to weave the nets of such companies and factories and to spread them all over India Tata might have left Tata Construction, the very name might have changed into 'Premier Construction", yet both the company and its subsidiaries continued to be guided by a most able hand, and showed a steady expansion from day to day.

The business of all companies whose managing agents were either the Premier Construction Company or Walchand and Company, continued to increase. Up to 1938 all these companies' offices were in Phoenix Building in Ballard Estate, but they were outgrowing that accommodation.

In 1933 therefore, Walchand bought a plot in Ballard Estate at the corner of Nicol Road and Wittet Road He had decided to build an independent five-storeyed air-conditioned block, on the pattern of Tata Sons' Bombay House in Bruce Street, which could accommodate the offices of all the companies under his control For the erection of this building, he formed a separate company called the Building Construction Company Ltd. with a capital of fifty lakhs.

In 1937 the work began under the supervision of Burns Lawson, Walchand's old and experienced white engineer, and of his Chief Manager Shivchandra Banerjee It was completed in 1938, and from 4 July the companies' offices were housed therein The building is known as Construction House The strings of all Walchand's industrial activities from 1938 onwards, and of all the industrial organizations under his leadership, were pulled from here.

8.

INDUSTRIALIZING AGRICULTURE

WALCHAND began to think from his early youth about his and country's uplift Certain pre-eminent ideas revolved in his mind These were, that he would achieve little by following the path trodden by his forefathers, that he must carefully examine the path taken in that direction by Western countries under the impact of fresh economic thought, that he must adopt a policy in consonance with the circumstances of his country and his time, and so rely upon his own independent path He reached a clear perception that his country, though predominantly an agricultural one, could achieve no economic growth in the modern age unless agriculture, industry and commerce were linked together as equal partners

As the late Mr Justice M G Ranade says [1] "A due co-ordination of the three-fold forms of industrial activity, even if it be not immediately most advantageous to individuals in any one period, is a permanent national insurance against recurrent dangers, and as such is economically the most beneficial course in the interest of the Community " This verdict of Ranade's, Walchand began to feel, could not be ignored by any reformer desirous of effecting the country's industrial uplift Feeling the force of that verdict, Walchand refused to steer the vehicle of his business along the ruts of tradition, and selected a fresh path of his own.

During the preceding fifty years, the British Government had appointed a number of Enquiry Committees, manned by experts, to consider the state of India and suggest measures for its improvement These had published dozens of fat volumes of hundreds of pages, whose views the then Government of India had ignored as totally of public welfare, it was nothing but a farce Nothing of any consequence was ever actually done—nor was such a thing even

1 Essays in Indian Economics (1906), p 26

sequence was ever actually done—nor was such a thing even possible To expect that a Government which was the patron of money-minded British capitalists, which thought chiefly of producing the raw materials needed by British manufacturers, would encourage the production of vital necessities and give all assistance required therefor, and thus make India happy and prosperous, would have been a grave mistake The policy of these same money-minded British capitalists, these pillars of British imperialism, was to "exploit the people of India by keeping the country agricultural and a mere source of raw materials" How should the imperialist British Government make any move to thwart that policy?

Of the Enquiry Committees appointed by the Government of India or the British Parliament, three—namely, the Industrial Commission (1916-18), the Agricultural Commission (1926-28) and the Labour Commission (1929-30) had exercised a stimulating effect on Walchand's thinking The problems of industry, agriculture and labour are to a large extent interconnected and interdependent They need to be considered in a comprehensive manner Such consideration the British Government neither gave nor allowed to be given As a consequence, the views and recommendations propounded by the Committees often appear one-sided and shallow. Yet even allowing for this evident fault, there is no small value in the facts collected with infinite care, and in the picture which by their systematic arrangement they paint of the state of affairs

It was from this angle that Walchand looked at these matters. That Government would learn wisdom from them and make some solid contribution to the public weal, he never imagined While actually doing nothing to benefit the people, the official policy must surely be to lull them with empty hopes that "Government is desirous of benefiting the people" and "the matter is under consideration". Walchand understood the game all right "The British Government we have with us today," he would maintain, "cares more for England's good than India's" This assertion moved Government, and those who looked at everything through Government's eyes, to anger "None the less," he would insist while addressing assemblies of merchants and industrialists, "my accusation is no idle one, it is one hundred per cent true" And he would quote a series of examples He knew perfectly well that John Bull had come to India to graze on India's grass, not to feed the Indian cow To expect such a creature to feed and fatten India was, he claimed, sheer lunacy. Clearly he demonstrated that, so long as our rulers felt no

eagerness to get industries established in India by Indians, and to help these in every way, we must positively realise that all the statements and recommendations of our Enquiry Committees were utterly useless. If Government seriously wished to change India's economic condition, he used to aver, it must immediately initiate attempts to start various sorts of industries, after first giving protection with preferential tariffs. In one of his speeches he says:

"There has been a great pressure on its soil and it is unreasonable to expect it to support a vast population of 350 million in a reasonable state of health and comfort unless India is rapidly industrialized in order to relieve this intense pressure and in order to make new channels available for the economic life of the country to flow in Over 70 per cent of the population (or to be more exact 72 per cent of it) is engaged in agriculture, the greatest industry of the country The percentage thus engaged here is greater than that found in any other civilised country. I regret Government's attitude in respect of the development of Indian industry has been one of indifference, if not apathetic (although apathy could be proved in certain cases) It is true we have had a Tariff Board created here to examine the claims for protection advanced by industry in the country The whole process, however, of reference to the Tariff Board, of its inquiry and report and of Government's decision thereon, is extremely slow and things have moved, I should say, at almost snail's pace It is the policy of only 'discriminating protection' to which Government are committed My grievance is that this kind of dilute dose of protection will not be any use to us What is needed in the circumstances today is a full and unfettered right to develop our own industries in our own way by erecting where necessary, sufficiently high tariff walls against the manufacturers of competing industries in other lands

"I remember how it was said years back that India could not possibly produce pig-iron like Middlesborough pig-iron either in quality or price. But the situation is totally altered today and we are not only producing but actually exporting large quantities of pig-iron of good quality to Japan, United States of America, United Kingdom and other countries. The same story can be told about the cement and the match industries. I believe that under the healthy influence of an adequate measure of protection, protection pure and simple, and not of 'discriminating' variety, industrial development of India could be effected in an amazingly short space of time. The country has vast resources in raw materials awaiting industrial

treatment and there is the vast home market made up of 35 crores of people to absorb the same, when ready for consumption.

"Let me however make one point clear. When I speak of our industrial development I visualise a state of things wherein industries of the country are financed, owned, controlled and manned by Indians I *may go a step further and add that I would have such industries only as are financed, controlled, managed* and manned by Indians and I should do this even at a sacrifice of the so-called efficiency, if that be necessary, unless it is impossible for Indians to associate themselves with the non-Indian enterprises on footing of perfect equality in every respect We find today that Commercial Services like Banking and Insurance are dominated by non-Indians and the share of Indians in these is small The same sad story has to be repeated in respect of the shipping industry The small percentage (12 per cent) of coastal traffic which is in Indian hands has also to experience unfair competition from the vested British interests and the situation is so bad that if something is not done by Government at an early date the Indian shipping industry will be extremely hard hit In the absence of healthy and vigorous growth of Indian shipping I do not see how our cadets going out from the training ship DUFFERIN[2] will be able to find scope for work. It is not at all unlikely that a situation may soon be created when they may find it difficult to get any opening. Naturally when shipping industry languishes allied industries such as repair shops, or shipbuilding yards do not rise or grow either No shipbuilding yards worth the name exist in India today.

"Till now there has been no definite, steady and vigorous support for the development of Indian industrial or commercial enterprise with the result that an economic situation has been reached today, which no good government should take the risk of leaving unremedied. The situation is further accentuated by the heavy fall in the prices of primary commodities which India mainly produces and exports The volume of discontent, which is seen in the country today has its root causes mainly embedded in this situation and I need not emphasise that very broad, just and fair adjustment is urgently needed in the interest of India. It must give the future Indian legislature the right, if need be, to discriminate against non-Indian enterprise in the country and I have my doubts as to

2 The IMMTS (Indian Merchant Marine Training Ship) "Dufferin", fitted on 1 December 1927 for giving training in navigation to young Indians

whether the general statements made in this connection at the second Round Table Conference can be acceptable to the Indian Commercial community as being in their best interests. Industrial backwardness of India is also a definite handicap from another point of view The necessity for this country's industrial self-sufficiency is apparent when she is faced with an emergency as was the case in the last European War. Had there been sufficient industrial development, she would have, I submit, played her part still more usefully and effectively.

"It will be seen from this that what India needs today is not so much 'preferences'[3] for her exports in outside markets, if these are to come only in return for disproportionate sacrifices and at the cost of opportunities for her industrial development, but conversion of her raw materials into a variety of finished articles by means of modern and up-to-date industrial process to meet the varied and growing requirements of her big population "[4]

Such was the general trend of Walchand's thinking with regard to the industrial uplift of the country The proceedings of the Industrial Commission, and the Labour Commission, he had minutely studied, and discussed with the country's experts on those subjects The above study, and the above discussions, occurred at a time when Walchand was well established in industry, when he had acquired a firm self-confidence together with a keen awareness of his country's needs, and when he had begun to feel that he ought to make some attempt to meet those needs From 1921, his thoughts began to travel in that direction, and he began to attempt to act upon them

Of these attempts, the first was to conduct agriculture on a par with other industries, by taking the help of modern scientific knowledge and better machinery In this matter he was strongly inspired by an address which his friend, Sir Chunilal V Mehta gave in 1921 to the Indian Merchants' Chamber The speaker described in thought-provoking manner how agriculture is the largest single industry of India, with innumerable ramifications which only required a man of practical ability and business acumen to take in hand as an industry and develop accordingly. These words exercised a powerful effect on Walchand, and gave added impetus to the ideas running through his head about industrializing agriculture. At that

3 This is a reference to the Ottawa Agreement of 1932 In July 1932 an Economic Conference of the countries of the British Empire was held at Ottawa, at this Conference the Indian contingent executed a commercial agreement

4 Speech delivered as President of the Maharashtra Chamber of Commerce, Bombay, at its fifth annual General Meeting (12th November, 1932)

time Sir Chunilal was Minister for Agriculture in the provincial Government established under the recent political reforms He had made a close analytical study of the agricultural industry in different countries, and spent a great deal of thought over those matters With him Walchand went thoroughly into all the pros and cons; after which, on the Minister's advice, he decided to plunge into the agricultural profession.

Advanced methods of agriculture require very large contiguous plots of land. While Walchand was on the look-out for such a property, he picked up the information that a 240-acre plot belonging to Government was to be sold in Ravalgaon village, in the Malegaon Taluka of Nasik District He went to view the land It was stony and desolate, and had lain fallow for many years Along one side of it flowed the Girna Canal, but since the villagers found the cost of raising crops too high, they were not willing to use its water, with the result that Government also derived no income from it Leaving aside this plot, there was a great deal of fallow land round about, some of it owned by money-lending traders, some by quite petty farmers In view of the land's ample area, and the availability of canal water, the notion began to permeate Walchand's mind that this was the village in which he should begin his contemplated agricultural experiment

At that time the Collector of Nasik District was an Englishman by name A H A Simcox. The man had once been Collector of Sholapur for some years, and therefore knew Walchand. On one occasion when Simcox and Walchand met, the former suggested that if some man like the latter were to bring fallow lands under the plough on a very large scale, and look on agriculture as a business, this would be a kind of national service With this in mind, after visiting Ravalgaon, Walchand went to Nasik, met Simcox and communicated his plan The fellow was pleased, and promised Walchand that he would give him all possible assistance.

As soon as he got Simcox's promise, Walchand purchased from Government the 240-acre plot in Survey Number 194, at ten rupees per acre, on 26 January 1923[5] Later, in April and August, he indulged in the purchase of a further 307 acres from Government A certain Marwari of Malegaon, Balkisan Suklal Dhabaddhinge, had

5 To this land, the first he ever bought, Walchand was deeply attached He especially loved the two trees under which he stood, after inspecting the fields, when he finalised his decision to buy He felt for them as members of his own family, and in later times, whenever he went to Ravalgaon, he never failed to visit these trees and spend some quiet moments sitting beneath their shade

a lot of land there and a cottage; these also Walchand purchased in September Many farmers had mortgaged their fields to money-lenders, who had spent many years without receiving any interest; Walchand paid off the arrears of interest, as well as the original sum, and took possession of the lands, thus relieving money-lenders and farmers alike. Other fields he took on lease In the course of a year and a half, he was in possession of almost fifteen hundred acres

Of this land a large proportion was jungle, serving as a hide-out for wild boar, thieves and dacoits. A few days before Walchand bought one part of it, a murder had been committed there in broad daylight. All such parts had to be cleared of jungle and tidied up As soon as this was done, Walchand called some experts and got them to make a careful survey and classification of the land Practically all of it was dry-farming land of poor quality. Below the nine inches of top-soil lay murum, and below that again, rock Walchand set to work to reclaim large areas, divide them into regular portions, and make them suitable for irrigation

He who would set up industries in an underdeveloped country like India, and develop them upon sure foundations, had better make a beginning with the industrializing of the country's prime occupations such as agriculture It is a wise course to start such industrial measures as will add to the income of the majority of the citizens, who depend on agriculture for their living, and increase their capacity for work This calls for a two-fold policy, of which care must be taken that the two parts move on side by side at an equal pace. On the one hand, the farmer's helpmeets—tools, machinery, fertilisers and so on—must be supplied, on the other, ever greater attempts must be made, relying on new methods, to provide food grains, fruit and vegetables, and the necessities of life In addition, care must be taken gradually to draw off the surplus man-power from the fields, and divert it to the factories converting raw materials into finished goods, without prejudice to the agricultural production, and replacing them by a scheme of mechanization with higher productive capacity If such a policy and such precautions are not followed, and other industries are developed out of proportion, these soon come to grief, funds dry up; capitalists lose faith in industry, and are no longer happy to sink their money in it. Next, the lack of capital brings industry's growth to a halt. Hence it is in the highest degree necessary, fixing one's gaze on the ultimate good, to take constant care that the wheels of field and

factory shall roll on and accelerate side by side. In such matters, both Government and national leaders must remain vigilant and ready for action

Walchand, who was in tune with the above sentiments, introduced each scheme of his industrializing of agriculture by slow degrees. "People from poor and densely populated areas", our leaders frequently assure us, "must shift to thinly populated, new and hitherto uncultivated parts, and there tend the soil". But what these people are to do when they get there, how they are to conduct themselves —for this our leaders produce no practical plans, while Government remains supremely indifferent to the whole thing. All of this Walchand had seen and experienced.

Thus writes an Indian economist: "In these matters, Government must take the lead, give all kinds of help, and provide facilities; but this is not all For this purpose a separate committee must be appointed, each branch of productive earning must be developed as required, and the inhabitants must be taught useful knowledge in this new field, so that they may feel encouraged, and be conditioned to develop those qualities which are requisite for winning success. Those dwellers whose bent of mind predisposes them towards industry, by this example of success in the matter of establishing the colony will find it possible to create a favourable effect upon the rest of the people" To make Government act upon the foregoing advice, the strongest pressure must be applied; and yet, as Walchand used to complain, it was not applied at all. It would take more than theorising, he used to say, to better the country's economy, and therefore a plan must be formed for bringing it into effect, and this must be pursued with relentless vigour He never lost an opportunity of trying to tell and explain these truths to economists, industrialists and merchants, and firmly imprint them upon their minds

"If the effects of the industrial revolution are to be felt in all their intensity throughout the realm, there must first be reconstitution and improvement of the profession of agriculture" The man who insistently proclaimed this view was India's first economist, the late Justice Madhavrao Ranade "There was another more technical reason for Ranade's insistence on a modernisation of our agricultural economy No nation can now afford to build up a superstructure of manufacturing industry on the insecure foundation of foreign supplies of raw and other essential materials Though complete self-sufficiency is neither desirable nor possible, local supplies so improve

the terms of foreign trade as to make an intensive programme of agricultural development a desirable part of any scheme of industrialisation. As with supplies so with markets. While a foreign market may serve as a supplemental outlet for many industries and as the chief customer for some industries, yet the stability of industries requires a steady custom which an improving agricultural industry can alone supply in our country If we add to these undoubted advantages the further one of a modernised and scientific outlook induced by the transformation of the main and basic industry of the people it will be clearly seen that an agricultural revolution in technique and organisation is essential both in the immediate interests of the agriculturists as also in the long term interests of the other industries and the nation at large "[6]

This clearly reasoned exposition by the worthy economist appealed to Walchand's own economic thinking Another matter which he had thought over was this, that to increase the production of agriculture, from the professional point of view, was not a mere question of growing the highest money-spinning crops like cotton, sugar-cane, oil-seeds, tobacco, fruit and suchlike commercial crops, but it must also be done from the point of view of raising, along with those cash crops, the food grains which supply nourishment to the factory workers, to the men who come from the villages to the towns for day labour. He did not hold with those economists who say that a large-scale increase in the national finances, through the growing of commercial crops, may involve the purchasing of food from places where it is in excess of needs, but that there should not on that account be any restriction on the production of commercial crops No, said Walchand, the money which goes abroad to get food grains, must stay at home and be used to swell the Nation's capital Recent Western economists[7] have begun to echo his words

Such was Walchand's philosophy as regards the expansion and industrialization of agriculture Faithful to it, he devoted his own resources to agriculture with a generous hand, and applied himself to its improvement and development

6 Prof D G Karve, Ranade The Prophet of Liberated India (1942), pp 85-86

7 A certain economist with the name of Allenby Mountjoy writes in his book, "Industrialization and Underdeveloped Countries" (1963) as follows (p 66)
" and initially indigenous supplies of food need to be increased, if at all possible, to feed the growing urban-industrial population and thus preserve capital for re-investment rather than spend it on imported foodstuffs It follows that development in agriculture must not be neglected and should continue with industrial development"

9.

FRUITFUL GROWS THE BARREN FIELD

ON securing land, according to his plans, for agriculture he set to work step by step to improve it and bring it under the plough In the past, the scanty produce of that land had roughly consisted of cotton, ground-nut, jowar and a small quota of sugar-cane Some of the farmers used to sow just a little wheat and gram Walchand at first tried growing these crops, and later he also tried fruit-trees, vegetables and betel vines He began to devote his chief attention to the growing of ground-nut and cotton

Ravalgaon was then a village of not more than one hundred and fifty to two hundred souls These eked out a hard-won living by keeping some milch cattle, all of whose milk and ghee they sold in the market at Malegaon some ten to twelve miles distant, and by such toilsome farming as they could manage Ever since the prolonged famine of 1896-1900, the rainfall in these parts had proved very inadequate Such rain as fell was from twelve to eighteen inches , but sometimes it did not exceed five cents. Under such conditions, how hard it was to scrape something from the fields, and grow enough corn to fill the belly !

On the day when Walchand first set foot in Ravalgaon, he called some village leaders to the spot where the Gram Panchayat office now stands, and got them to explain the local situation to him. He then told them, "From what I have seen in my wanderings here, and from what I have heard from your own lips, I can quite clearly understand that the village is in a thoroughly low and depressed condition. In these circumstances, I have made a resolve to take up farming and bring about changes for the better. I am not of farming stock ; of farming I have no experience. All of you have seen these fields, man and boy, and you know them well. I want to use your experience and your knowledge of them. For lack of funds, all your readiness to toil hard, as I plainly see, avails you nothing.

My funds I am ready to spend for these lands Whatever be your difficulties, tell me without reserve I will do my best to remove them. I hold land from Government on perpetual tenure ; if of your free will you sell me any, I want it , alternatively, I will lease from you as much as you can spare I do not want to take any man's land by squeezing him or getting any official pressure put upon him. I wish to farm here with your goodwill and living in harmony with you Let me have your strength behind me"

Walchand's frank speech pleased the villagers The village kulkarni Sakharampant, and two knowledgeable farmers, Bhika Pundalik and Kondaji Bhimsen, showed their readiness to give him all needed assistance. The first of these promised his land for seed-sowing, while the other two undertook to look after the farming arrangements Later, these three were joined by three other gentlemen—Bhide, Patwardhan and Bhalerao—and the business got under way.

From the Yeola market, Walchand bought horses for a tonga and spans of splendid bulls for ploughing He purchased all sorts of necessary implements In 1924 he bought a tractor as well In the beginning, a gentleman from Akkalkot named Gulabchand Shah, highly experienced in farming, used to look after the management of this land and the activities going on there This gentleman himself owned a wet farm of forty acres at Akkalkot, and on seeing the excellent tillage he had done there, Walchand had positively insisted on his coming to Ravalgaon Walchand himself would snatch time from his everyday endless labours, and visit Ravalgaon once or twice a month , and he would be accompanied by some agricultural expert or other, to whom he would show his farming experiments and ask his advice and suggestions. Whether in India or abroad, if he found an opportunity to see something in the way of improved farming, he would grasp it, and try to obtain whatever experience presented itself

One such attempt he made when he was in England, in 1925 Thanks to the obstructive attitude of the then Government of India, it was an unhappy experience, but it nicely showed up the true picture of a Government accustomed to boasting, in season and out of season, of how it always tried to uplift the Indian farmer. During Walchand's stay in England, sixty South African farmers came over to inspect British farming, and a programme had been arranged for showing them all sorts of farmland. Walchand thought that if he could see those things along with these farmers, there was a chance

of its proving useful for introducing some improvements into the agricultural experiments being conducted at Ravalgaon He therefore applied to the India Office for assistance in joining the party of farmers. The reply to this was that the India Office "did not find themselves in a position to assist him in the matter." Actually, it was the duty of the Government of India, just like the Government of South Africa did, to send Indian farmers to study agriculture in foreign countries and encourage them to improve their farming. When Walchand saw that, so far from acting thus, the Government had no desire even to help an individual Indian whose love of farming made him try to see such things at his own expense, he was naturally disgusted At that time the Director of Agriculture to the Government of Bombay was Dr Harold Mann, who was a good friend to the Indian farmer To him Walchand sent his correspondence in this matter with the India Office, as though to ask him, "Is this the way you people care for the Indian Farmer's welfare ?"[1] It was this attitude of Britishers which, while Walchand did his eager best, trusting in his own strength, to roll along the farm-cart of his chosen profession, so many times drove him wild

As soon as agriculture at Ravalgaon began to take on a satisfactory shape, Walchand erected a small factory there for making jaggery, and also opened a ginning mill The price of jaggery was then Rs 38/- to Rs 39/- per palla, while cotton was sold for Rs 290/- to Rs 300/- per candy This meant that, although the costs of agriculture forbade any noteworthy profits, yet the books could be balanced This situation, however, afterwards suffered a change In 1925 the British economy adopted the Gold Standard, and four years later went off it, which gave rise to frequent alterations in the currency policy There was a want of business stability; and the Government of India, which followed the policy of Britain, began to alter its policy too.

Thanks to the above disastrous changes in the Government of India's currency policy, farm prices fell down and down, and those involved in agriculture suffered immeasurable loss The effect of this fall in prices was naturally felt by Walchand's newly started farming industry at Ravalgaon His chief products—jaggery and cotton—showed a fall in 1931 from Rs 38/- per palla to Rs. 12/- and from Rs 300/- per candy to Rs 200/-, respectively. This currency policy of the Government of India put Indian trade and

1 Letter to Dr Mann, dated 30 June 1925

industry to an appalling loss. It elicited the following stern criticism from a speech which Walchand delivered (May 8, 1929) to a Quarterly Meeting of the Maharashtra Chamber of Commerce.

"The experience of various European countries in this matter, over the last fifteen years, is revealing In these countries, exchange fluctuations no doubt caused losses in trade and industry But further than this, many professional men were totally ruined, prices of commodities soared prodigiously, even the scrupulously frugal had to face starvation, factories lost their productivity, and everywhere chaos reigned Once a society's economic condition has become diseased, recovery takes time It is true that today, in many countries' domestic transactions, the pre-War gold coin is no more seen Yet we must never forget that, unless the public can feel confident of being able, at any time they choose, to exchange paper notes for gold, to conduct business with paper currency is impossible And yet, the Hilton Young Commission[2], while stating the scientific basis for this paper currency which today circulates in these countries, and explaining the origin of today's popular conceptions about currency, has endeavoured to obscure the aforesaid supreme truths, in this, however, it can never succeed."

"That the gold currency, which was familiar before the Great War, was neither unscientific nor a hit-or-miss affair based on primitive ideas about currency, can well be appreciated from one fact. this is, the haste with which every country that today transacts all its internal business through paper currency, returned as quickly as possible to the Gold Standard which it had maintained before the War In the light of this, one is amazed how a Commission like Hilton Young and his experts can suggest that India should now accept the currency theories which the European countries have adopted as a second best. It was the difficulty of obtaining gold which forced those countries to follow such a plan India's position is totally different from theirs India's balance of payments with foreign countries is generally favourable Looking at the figures for the five years 1922 to 1927, India is owed by other countries at an average rate of Rs 53.9 crores, i e, India's total credit for the five years is Rs 269 5 crores If India is so minded, she can within a few years establish a gold currency; the expense of this would come to less than what India has lost through the alterations which

2 In 1925 the British Parliament appointed an Enquiry Committee under the Chairmanship of Comdr Hilton Young, to study the exchange and currency situation in India, and report upon them

Government has made in the exchange rate, during the last few years, and the confusion arising from the efforts to maintain it.

"The chief characteristics of a good currency are: a universally accepted means of price-fixing in international economic transactions, and a medium which is both suitable for completing transactions of buying and selling at any time, as well as a method by which all persons can confidently assess their possessions. All those are conspicuously found in a gold currency The real question is whether today's Indian currency stands up to this test. The peculiarity of a really good currency system is that its value remains steady for transactions both at home and abroad When people say that a gold currency should be introduced into the country, all they mean is that, leaving aside gold as the principal currency, any of the other coins or paper money, used for minor transactions, should be exchangeable for gold on request at any time In fact, in such circumstances a government must strictly abide by its general policy as regards currency; there is no place for arbitrary behaviour

"It is a fact that, through its exchange and currency policy, Government has purposely thrown away many an opportunity of reaping both industrial and commercial advantages for this country; and no less is it a fact that such a sight has become possible because a foreign government was ruling over it Has the Gold Exchange Standard reduced the flow of gold? When a system requires the deposit abroad, in order to keep the exchange rate stable, of gold to the value of forty millions sterling, because it may be required at some time or other—ten or fifteen years hence—is there any meaning in saying that such a system reduces the flow of gold? The truly damaging feature however is this, that with such a system, the gold which enters the country from year to year is not spent for the development of industry, because of the people's lack of confidence in Government. I think one can say without fear of exaggeration that to find another system so wasteful as the Gold Exchange Standard, will be difficult What I am trying to say is that to make efforts to change this system, and to introduce a gold currency, is in every way the right course"

In 1929-30, as a result of the government's currency policy, and the exchange rate of eighteen pence, the price of major products like cotton, which earned exchange for the Indian farmer, suffered a spectacular fall. In one of his speeches[3] Walchand says.

3 Presidential speech to the Maharashtra Chamber of Commerce, 8 February 1930

"The price of the Indian Cotton has touched a very low level this year. It has gone below its parity in comparison with prices of American cotton and the Indian Agriculturist who is already hit by the ratio and the general low level of prices has to further suffer owing to this. The situation is without a parallel during the last 32 years. The American Government protects its cotton growers by giving them Banking and other help. Even the backward Egyptian Government tries remedies so that its cotton fetches a fair price But in India with its huge cotton crop the producer is not enabled in any way by the State to obtain a fair price India is dominantly an agricultural country and it is the duty of the Government to do something really tangible to help the agricultural producer. We have recently had a Royal Commission on Agriculture and its bulky report is there before the public But it is difficult to see how things are going to be bettered unless systematic and vigorous efforts are made by Government to tackle the whole question."

Always trying new experiments at his Ravalgaon farm, Walchand grew sugar-cane, cotton, tobacco, jowar, bajri, wheat, maize, groundnut and turmeric, in addition, at the cost of thousands of rupees from his own pocket, he made an orchard where he planted grapes, chikoos, papayas, pomegranates, guavas, mangoes, etc He also planted betel vines and started a crushing mill for his cane[4] But all these activities were not filling his pockets with adequate monetary returns Due to the Government of India's currency policy described above, the situation grew worse and worse Despite all his tremendous optimism, Walchand was a little cast down by these discouraging and bitter experiences At the same time, he did not slacken his attempts to change the situation

The Agricultural Commission headed by Lord Linlithgow, appointed in 1926, published its Report[5] on 27 June 1928 Among its

4 Walchand also experimented with a new kind of bidi His younger brother Lalchand relates in one of his reminiscences "Once it occurred to Walchandbhai that we should grow tobacco, but since its market rate was not what it ought to be, we should make bidis from it and send these for sale, the bidis should be made in such a way as to be superior to any existing brand Experiments were made, lasting for two and a half years, but there appeared to be no prospect of turning out a bidi to please and satisfy Walchandbhai, the only result was that a fortune had been spent So one day I plucked up courage and said to him, 'Walchandbhai, enough now of these experiments We're never going to make bidi manufacturers of ourselves, with luck, we may one day become sugar manufacturers' 'Is that so?' he replied, 'In that case all right, stop the experiments and push ahead with the sugar experiments' The bidi-making experiments were stopped" G D Khanolkar 'Dhadadiche Udyogpati Seth Lalchand Hirachand,' *Kirloskar*, October 1964

5 For regular use, an abridged 100-page version was published of the Report's original 755 pages Walchand submitted an independent Memorandum to the Commission, on

numerous proposals and recommendations for improving the state of the agricultural industry, was the suggestion that, in order to make agricultural improvement meaningful, Government should appoint at the Centre a body to be called the "Imperial Council of Agricultural Research"

To consider the Agricultural Commission's above proposal, the Viceroy Lord Irwin called a conference of representatives of the Provincial governments, in the first week of October 1928, at Simla. After lengthy discussion, and with some suggested changes, the proposal was approved After this, while addressing the Legislative Assembly at Delhi on 18 January 1929, Lord Irwin announced that following the Commission's proposal, Government had decided to appoint an Agricultural Research Council. He also announced a governing body and an advisory Committee of thirty-five members. On 16 July 1927 the Agricultural Research Council was registered under the Societies Act XXI of 1880 It having been decided to have one representative of the merchant class on the governing body, Government addressed a letter to the Federation of Indian Chamber of Commerce and Industries, requesting it to appoint its representative In view of his agricultural activities at Ravalgaon, the Federation named Walchand

The Agricultural Research Council was formally opened by the Viceroy at Simla on 21 July 1929[6] The Council's session lasted for two days In this session Walchand, with the assistance of Ramdas Pantalu, the renowned leader of the co-operative movement as well as of the Swaraj Party in the Council of State, got a committee appointed to enquire into the sugar industry In December the committee presented its report, in which it suggested that since the sugar industry stood in need of protection, the Tariff Board should be asked to consider the matter Government accepted this, recommended it for the consideration of the Tariff Board, and got the Board to appoint an independent committee of enquiry. This committee published a lengthy report on 29 January 1931 It recommended that the sugar industry should receive protection for fifteen years, and that it should be assisted by increasing the duties on the import of foreign sugar and lowering them on Indian sugar.

31 March 1927, about the farmer's real difficulties and the steps urgently needed for their removal In this he emphasized that "Agriculture has as much need of planning as other industries"

6 The Office-bearers of the Council were Executive Chairman Sir Mohamed Habibullah, Deputy Chairman Sir T Vijayaraghavachari, Secretary M S A Hydery, Agricultural Expert B C Burt

Government accordingly imposed an import duty, from 1 April 1932, of 34¼% on molasses, together with nine rupees and one anna per hundredweight on imported sugar. On 8 April an Act was passed giving protection to the sugar industry

About the time when the Sugar Committee appointed by the Tariff Board was examining the sugar industry, the Government of Bombay appointed (14 October 1931) a committee under Balkrishna Sakharam Kamat to enquire into the condition of the Province's minor irrigation works On all the minor irrigation works constructed in the Bombay territories since 1875, Government had spent almost ten crores of rupees, but it had failed to receive the return, in the form of water dues, which such a figure would have warranted. After closely studying the facts and the entire situation, the Kamat Committee made certain important recommendations in its report Among these were that a broad belt on both sides of the canals should be specially reserved for sugar-cane, and should be taken on a long lease for sugar factories, that in all parts of sugar factories ditches should be dug to run off the water; that whatever tax Government collected from the sugar factories should be spent, to the last pie, in making improvements in the neighbourhood, and that sugar should be given protection After this report came out, the Government of Bombay began to think of taking action along these lines.

Bold men of ideas, who wished to change Maharashtra's economic condition through the industrializing of agriculture, had now secured a fresh opportunity of translating their ideas into practice Walchand resolved to put the opportunity to use He had worked the Ravalgaon land for ten years continuously As a result of his manifold experiments conducted at countless cost, he had come to the conclusion that the most profitable course was to concentrate on sugarcane, and start the business of manufacturing sugar by scientific and up-to-date methods And in this direction he now bent his steps

Even in the past, Ranade, Tilak and Gokhale had suggested that the soil of Maharashtra is favourable to the sugar industry, and that our people should take advantage of this to raise the State's economic standards Tilak once asked, "If a little blob of an island like Mauritius can produce endless quantities of sugar, why cannot our land be self-sufficient in sugar?" He went on to observe in his *Kesari* newspaper (22-9-1903), "Whatever cane and sugar the country needs, we must produce for ourselves But to attain this goal, we require an extensive and clear-cut programme, and Govern-

ment must have recourse to a policy which will give it the necessary encouragement and the desired protection" Even at the eleventh hour, Government had now come forward to give protection to the sugar industry It was for Maharashtra to step boldly out and prepare to take advantage of Government's action.

Pending the Government of India's announcement of protection to the sugar industry, Maharashtra possessed but one sugar factory with its own cane-fields and running on modern lines. This was Brady & Company's Belapur sugar factory at Harigaon in Ahmednagar District[7] This factory was established in 1919, and began production from 1924, starting with soft sugar and coarse sugar For five or six years it ran at a loss. In 1926 it was obliged to take a Government loan of six lakhs, which it paid off five years later

Between 1920 and 1930 Sir Lallubhai Samaldas took the lead in establishing a sugar factory at Baramati This failed to work and had to close down It depended on cane supplied from outside, for at that time nobody thought of a sugar manufacturer running his own independent cane farm In those days, the cane grown was *pundya* cane[8] The factory failed because *pundya* cane gives an inadequate yield In the season there has to be a continuous twenty-four hour supply of cane Moreover, the sugar content was very low Again, the trash provided insufficient fuel, so that other fuel had to be imported. The consequence was that the production of sugar, instead of being profitable, became more costly.[9]

Bearing in mind these experiences of his predecessors in the sugar industry, Walchand decided that before setting up a sugar factory, he would make provision for growing enough cane to afford a supply from his own fields He selected a spot near Ravalgaon village, collected the machinery (some of it from England) and set up a factory of his own design with the help of Maganlal Shah, an experienced mechanical and electrical engineer from his Mazagaon Hume Pipe factory, under the close supervision of his younger brother Lalchand To run this factory, he formed a separate company known as the "Ravalgaon Sugar Farm Ltd"[10] and entered it with the

7 Before this factory, Marshall & Co had set up a sugar factory A certain Kutchhi Memon in Burma had bought machinery in England for making sugar, but he failed in business and was unable to export the machinery to Burma Marshall & Co bought this machinery in its crates, shipped it to India, and opened a sugar factory, this however came to an early close

8 This cane is soft, with a low sugar content, good for eating, it affords only good jaggery

9 Gulabchand Hirachand "Notes from experience of the various branches of the Sugar Industry in Maharashtra,' *Vaibhav*, Special Sugar Supplement, September 1959

10 The Company had an authorised capital of rupees twelve lakhs, of which five lakhs were

Registrar of Companies on 8 February 1933. He had the factory opened by his friend Sir Chunilal V Mehta on 5 November 1933

Since his factory was to be conducted on modern scientific lines, Walchand began by recruiting one mechanical and electrical engineer, two chemists with the M Sc. degree, and eight Bachelors of Agricultural Science One of these was the mechanical and electrical engineer Maganlal Hirachand Shah, whom Walchand sent in 1932-33 to Java and Queensland (Australia) to see cane farms and sugar factories at first hand, and get to know their production methods Shah spent three to four months in both these places

In order to gain admittance, both to the farms and to the factories, Shah had to resort to considerable ingenuity. Foreigners were not readily admitted to those places; in particular, it was the policy of those manufacturers to exclude visitors from the sugar-producing countries. In these circumstances, it was necessary to offer some different pretext for gaining admittance Shah was allowed into the Java farms after giving out that he had come to see how far those cane-growers could use the Indian Hume Pipe Company's pipes, for playing the canalwater on the cane fields Using his head, and watching his opportunity, he studied their methods of production He inserted an advertisement in the local papers, to the effect that Walchand wanted an experienced Javanese chemist for his own factory Many readers of this advertisement called on Shah with the object of securing this post; and from their answers to the questions which he put to them, he readily obtained assorted information about Java's sugar industry From among these applicants, Shah selected one Schmidt, a Dutch chemist, and afterwards called the fellow to Walchandnagar From this Schmidt, Shah got a large volume of literature useful for the sugar industry, such as could not be bought elsewhere, and sent it to Walchand In Australia he very adroitly obtained access to the Queensland sugar factories by cultivating the friendship of certain influential citizens The cutting season having commenced, at one farm he camped for a few days in a tent

Java and Australia were highly developed in the chemical and

the initial subscribed capital The land surrounding the factory was kept separately in the ownership of Walchand and his three brothers They maintained their agricultural account separately, through which they planted cane and supplied it to the factory From 1 July 1936 they entered their own land, as well as what they rented from others, in the name of the factory, to whom they also sold their cattle and farm implements From this year the factory began to grow its own cane In 1938, the factory bought 1,790 acres, 23 guntas of land belonging to the Walchand family, and in September of that year it took private land belonging to Walchand, Gulabchand, Ratanchand and Lalchand totalling 827 acres, on a 20-year lease

mechanical techniques of sugar production respectively. Shah sent Walchand a critical note on how the Ravalgaon factory could work on a combination of Java's advanced chemical processes with Australia's mechanical methods; this was of considerable help, both theoretical and practical, for drawing up the future plan for sugar production On his return to Ravalgaon, Shah gave the factory the direct benefit of his experiences.[11]

Despite this, neither Shah nor his colleagues had any personal knowledge of the process of sugar production Walchand therefore despatched a young chemist K V Lonkar, to the Belapur factory at Harigaon for training, after which he brought him back This gentleman is today Chief Chemist at the Ravalgaon factory Here is his story

One day I had gone to the Fort area. As I crossed the road at Flora Fountain, the police constable standing there raised his arm, and for all our impatience we had to stop As I was about to say something to my friends, a big shining car halted just there, and after a minute or two roared off again During that brief interval my glance had strayed to the man seated in the car His sheer personality, his liquid eyes, the majesty that glowed in his face—all left me spellbound Ah, City of Bombay, where we see daily great ones passing in their cars—princes of commerce, officers of Government! But the sight of this man's towering personality so drew my mind that I could not refrain from asking my friend, "Who was he?" And then I learned that it was none other than that exceedingly self-respecting man, that able organizer whose surpassing patriotism inspired him to undertake ever fresh industrial schemes and carry them into effect, that shrewd contractor and dispassionate captain of industry who shouldered mighty tasks and boldly fulfilled them, whose fame filled our ears and for whom the minds of us students were imbued with immense respect, Seth Walchand Hirachand himself! Then did a thought flash like lightning through my mind, "How wonderful it would be, if I got the chance to work under him!" But to what avail? I was a science graduate, doing research for my M Sc What opening could there be for me in Seth Walchand's building concerns? The thought died in my mind as swiftly as it had flashed to birth Yet the impress of his personality never faded from the fabric of my mind.

In 1931 I gained my M Sc, my research work came to an end,

11 After this factory started, Maganlal Shah went to Walchandnagar, to set up the factory there

and the hunt for a job was on. Those were days of depression and not a glimmer of a job was in sight Two years went by. One day, I suddenly read, in the "Wanted" columns of the *Free Press Journal*, the following advertisement: "Wanted B.Sc.'s or M Sc 's in Chemistry for a Sugar Factory to be started soon Candidates having training in sugar line preferred." And what an amazing coincidence—the address given was "C/o Walchand Hirachand"!

That incident in the Fort, two years ago, rose before my eyes Hope sprouted in my heart I resolved to apply. "But where's your experience," cried one self, "of the sugar industry?" My hopes clouded over "At any rate, send your application!" cried my other self I sent it "Come for interview," came the reply

It was the fifth day of January 1933. Afternoon saw me in the Company's office, along with three or four other candidates, of whom two were Ph D s I told myself, "This will settle your hash." With scant hope remaining, I entered the great man's room and saluted him He was pacing up and down, the very image of that former day—eyes alight, countenance grave, lips smiling! Acknowledging my salutation with a smile, he bade me be seated. How could I sit—when he was standing? He must have understood my feeling, for he said, "You sit I'll put my questions standing" My nervousness left me, and I began to answer his queries without reserve

After enquiring about my education, he asked, "Suppose you are given a score or so of men under you, will you be able to get work out of them?" I replied, "As to that, I am confident While in college, I was a Corporal in the Military Training Corps Recently we built our house, in the course of which I myself supervised the workmen and got them to work."

Then he asked, "What salary do you expect?" to which I replied, "I leave it to you"

The interview was over As I went home, I allowed myself some little hope that perhaps I would get a job there Four days later, I got a call from the Seth. I was notified about my salary and terms of service. I accepted

Very soon, I was sent to the Belapur Sugar Factory to learn the work There I spent one crushing season in learning the business at first hand. Once or twice Seth Walchand paid us a visit On such occasions he would ask the executives there about my work, and in the evening he would also specially send for me and give me much important advice. He was firm about my visiting every department of the factory and getting information for myself. He

insistently dinned it into me that if one works with one's own hands at the important spots, one can nicely pick up the points of detail, after which no trade secrets can be left behind. Similarly, he instructed me to make a minute study of what steps must be taken to get the maximum sugar content from the cane

The managerial and technical departments of the Belapur Company's factory were officered entirely by Europeans, whose discipline was very strict And this was my first experience of a large factory. However, thanks to the constant advice given to me by Seth Walchand, to his instructions as to my behaviour and actions on each occasion, and to his periodic encouragement, I coped with the factory discipline and, overcoming all obstacles, I was able to acquire all that he had expected me to acquire there.

While I was at Belapur, a gentleman named Godbole was employed as Assistant Chemist When my term was up, along with me the Seth invited him to Ravalgaon as Chief Chemist, and both of us went there The work of installing the machinery was then going on In November 1933 the factory began to operate, its first year being one of experiment. We crushed not less than 17,000 tons of cane The factory was geared to a fixed daily crushing capacity of 150 tons After a year or two, with more cane available, more machinery was added and the production capacity was raised from 150 to 300 tons Naturally we began to crush from forty to fifty thousand tons a year

During this period, Seth Walchand paid a number of visits to Ravalgaon, each time he would be accompanied by somebody such as Mr Shrivastava, Director of the Kanpur (Cawnpore) Sugar Research Institute, or Sir T S. Venkatraman, Director of the Coimbatore Sugarcane Production Centre, or the well-known cane-grower Rao Bahadur Shembekar—all big specialists and men of experience in the sugar industry Seth Walchand would not only introduce us to these big men, but would arrange for us to have discussions with them. His standing instructions to us were, "Get rid of your diffidence. Talk freely to these people, and get from them more and more knowledge about sugar production. You shall have all the new machinery you need, all the technical books and periodicals. Read copiously, and think. Always be acquiring fresh knowledge, and use it always for trying out new methods. Our factory must be ever in the van, and its name must resound throughout India"

Such words of cheer from him put new heart into us We bent

to the work with added zest, toiling twelve hours a day. Our efforts surprised and delighted our master. When our increments fell due, we found our pay raised beyond our expectations. As the proverb has it: "In the harvest we forget the toil of ploughing" And so we would eagerly look forward to Seth Walchand's arrival and inspection of our new achievements.

Year by year we got more cane, and so we replaced our previous Duncan Stuart plant and installed in 1939 Krupp machines from Germany capable of crushing 650 tons a day. About this time, for some reason our Chief Chemist Godbole left us, and was replaced as Chief Chemist by S N Gundurao, who held a degree in Sugar Technology By that time our infant factory had crossed the threshold of maturity

When the factory started, it was found exceedingly difficult to get skilled workers with experience of sugar production Panmen, triplemen, centrifugalmen, and such like pre-eminently essential workers had to be imported from North India Of these, not one skilled worker could be found up to the mark They required to be given systematic training The matter amounted to a severe headache.

Unskilled labour for the cane-fields was available in plenty, being supplied from Ravalgaon and its surrounding villages These men however worked without either discipline or method, both of which had to be taught them step by step Even for getting the canal water in the required quantity and at the required time, considerable trouble was encountered The officials of the Irrigation Department did not co-operate as they should Their high-handed policies and senseless arrogance made themselves heavily felt from the very start A stream of written complaints had to be directed towards the highest offices of the Department Eventually the water problem had to be solved by forming a union of the Girna Canal irrigators, and making concerted efforts

An important part of a sugar factory is its chemical laboratory, in which experiments are continually going forward The Chief Chemist encourages the junior chemists under him, and shows them the way for all sorts of experiments In the Ravalgaon laboratory, such junior chemists had first to be given proper training in analytical method.

Managers must be ever vigilant to make their chemists bear in mind that all things extracted from their experiments must be of direct service to sugar production Walchand had to shoulder a

heavy responsibility for maintaining this sort of vigilance. He watched closely to see what experiments were going on in other sugar-producing countries. As soon as he noted anything new anywhere, he would inform his factory executives about it, and demand of them why it could not be done in their factory too.

The factory's first two years went in giving training and getting experience Gradually the chemists, machine operators, artisans and labourers began to acquire efficiency, each in his job, and the work began to be despatched systematically and with speed.

Looking to the factory's capacity, its full utilisation required the bringing of considerable land under cultivation Accordingly in 1934 Walchand brought 598 acres under cultivation and began to plant an ample crop of cane Along with Adsali and Ratoon, he started his fields with shoots (C O 419) from Coimbatore, which the Sugar Research Institute had evolved after numerous experiments Only when the soil is good, can this strain grow well, giving a sugar percentage of from 11 to 12 It was therefore found necessary to plant a lot of the land with C O 290 and P O J 2878. Recent years have seen the planting of C O 775 equally with C O 419

The 598 acres of 1933-34 had by 1938-39 grown to 1,300 acres, and the initial 15,408 tons of crushed cane had in 1939 risen to 52,474 tons The per acre cane production rate had gone from 30 07 to above 41 9, which brought a corresponding rise in the sugar production rate Sugar yield climbed from 8.7 to a usual 9.9. A demand arose for the factory's sugar, and from the first year of production a profit was shown [12]

Side by side with increasing the sugar yield, experiments were made which improved the colour, the lustre and the shape of the grains In extracting the maximum proportion of sugar from the cane, in reducing to the minimum the amount of sugar residue in the scum and the crushed pith, and in lowering the consumption of fuel and electricity required for making the sugar, the factory achieved considerable success Its agricultural experts and chemists would ponder over the difficulties experienced in the making of sugar, write articles upon them, and now and then publish these in Sugar periodicals, both Indian and foreign. The consequence was that the name of Ravalgaon Farm and its factory became known throughout India, and sugar technologists, manufacturers and merchants came

12 In their Report published for the year ending 30 June 1934, the Directors of the Ravalgaon Sugar Farm announced a net profit of Rs 3,480-4-3 In 1938-39, the amount distributed as dividends to the shareholders was Rs 79,000

to observe its working Ravalgaon sugar began to prosper. For the specimens made in the Kanpur Sugar Research Institute, sugar from the Ravalgaon factory began to be used.

While the Farm thus went from strength to strength, constant efforts were being made for its improvement In order to maintain the steadily increasing pace of transport, communication and prompt despatch of work, provision was made for goods wagons, a trolley line, a light engine and telephones. The fields were divided up into sections, each joined by telephone; Rs 2,60,000 were spent on laying down a 25-mile light railway for transport, right from the factory to Malegaon, as well as alongside the cane-fields Living quarters were erected for the labourers and the office staff; electric light and pure filtered water were provided; satisfactory plans were made for a dairy, a school, medical aid, a dispensary of both Allopathic and Ayurvedic type,[13] a maternity hospital, a children's park, a sports club, a reading room and library, a co-operative credit office and shop, a weekly market, and so on The surroundings of the factory and its adjoining area are kept so clean and dirt-free, that as a result, those who live there are found to be free from fevers, conjunctivitis, and other infectious diseases of great and small degree

Ravalgaon Farm had now grown into a village of some four to five thousand souls. Thanks to systematic organization, it had acquired the pattern of a well-ordered fine little town This was in large measure due to the far-sighted and intelligent efforts of Walchand's younger brother Lalchand and nephew Govindji For the shape which this community has taken, and for the admirable discipline which has thus naturally attached to its management, the credit belongs principally to Lalchand For his fundamental knowledge of financial transactions, his habit of acquainting himself by close study with all matters relevant to whatever activity he took up, his temperament of unremitting industry, and his combination of rigid discipline with organizing efficiency, Walchand cherished a high regard

From 1928 to 1936, Ravalgaon Farm was carried on under Lalchand's direction. He, like Walchand, was anxious that the place should not be run merely from the commercial standpoint, as no better than a medium for producing cane and sugar, but should also be a testing ground, influenced by up-to-date studies in farming

13 This dispensary does not cater exclusively to the treatment of the factory residents, but also affords free health care to the people of the surrounding villages

science, for research in the service of agriculture. After properly testing any newly developed strains of cotton, he undertook the task of propagating such of them as were found good, in Ravalgaon and its surrounding villages. In the same way he would introduce fresh strains of sugar-cane, test them to see which grew well in which soil, grow the successful ones and propagate them for the benefit of other farmers. The credit for today's fine cane grown in Chandad, Kalwan, etc, goes to Seth Lalchand's experimenting activities. In addition, he was of the view that his farmer neighbours should become as well acquainted with modern methods of sugar production and the improvements being daily effected therein as his co-workers.

"In 1933, when Malegaon Taluka could boast of scarcely five to ten acres under cane, Seth Lalchand called the Taluka's farmers to Ravalgaon and encouraged them to grow cane. In farmers' assemblages he used to acquaint himself with their difficulties On such occasions the canal officials, great and small, would also be invited, and would make careful efforts to remove the difficulties. He never acted the big manufacturer with the farmers, but kept on terms of friendship with them Familiarly he would discuss with them what should be the proper price of cane, and would announce whatever price they were content to fix Thanks to this, the acreage of cane greatly increased, both in this and Baglan Taluka, to the farmers' profit."[14]

On Government's granting protection to sugar, 1933-34 saw the opening of seven sugar factories in Maharashtra This industry being entirely new to Maharashtra, in the beginning a number of technical difficulties showed themselves In order to remove these from time to time, and to ensure the swift advance of progress, Lalchand formed in 1936 (4 October) a society called "The Deccan Sugar Technologists Association", himself becoming its first President For its first few years, it was tended and developed by him

The work of a sugar factory is of a seasonal nature, extending over five to six months of the year. In order that the workers might earn something during the remaining half year, the factory started industries for extracting wax from the scum, making straw-board out of waste paper and rags, and making bootlaces, banyans, soap, scented oils, etc. Thousands of rupees were spent on these, of which the workers did not take the advantage which they should have

14 A T Joshi 'Lalchand, who taught the Desert to Bloom', *Vaibhav* magazine, October 1964

taken, so that some of the industries had afterwards to be closed down.

In starting industries of this sort amid the rural scene, Walchand's chief purpose—over and above the improvement of agriculture—was to give the local people a cultured and happy life through a rise of income; and through the agency of Ravalgaon Farm and its factory, this purpose bade fair to be gradually realised. Hundreds of people found in work and employment an assured means of livelihood Farmers who once had to part with their own lands, their fields which could no longer support them, to the money-lender or the Co-operative Credit Societies, now saved the money they earned working in cane-field or factory, and got their lands back again. Their living standards had risen, they had acquired a taste for knowledge, they looked on employment with fresh eyes Along with the farmers, the hitherto workless and hence half-starved Bhils, the scorn of society, began to get paid work in the fields and were freed from want for food and clothing.

Workmen belonging to Mang-Garudi and other criminal tribes who, under the then prevailing rules were required to report themselves unfailingly at a given place at prescribed times, were found to have so much changed in their behaviour that the rules relating to their obligatory reporting were annulled by Government The revolution brought about by Ravalgaon Farm in the social, cultural and economic condition of rural society was, from the viewpoint of that society's welfare, immensely worthwhile

The fields of Ravalgaon, once pronounced so barren, had now been made in all respects fertile, as their old nature underwent a sea-change Once unheard of beyond the limits of the neighbouring parish, the name of Ravalgaon now echoed through the length and breadth of India.

10.

CARROT PIPE? NO—MAGIC WAND!

AT the time when he was debating the idea of setting up a sugar factory at Ravalgaon, Walchand also conceived ideas of taking advantage of the sugar protection legislation, to establish an additional sugar plant in some other place where canal water could be had in abundance. He further thought that if one of the companies under his control, which might be showing itself incapable of giving a financial return, could be diverted from its original purposes and converted into a sugar-producing factory, the attempt should be made, and this second factory set up

He had in mind Marsland Price & Co, which for five or six years had been incapable of production and had constituted a useless encumbrance In 1930-31 he had thought of closing it down In 1932, however, Government announced its policy of protecting sugar This made him think of changing the Company's original objects, which were to do reinforced concrete and other engineering jobs, into such objects as would give scope for agriculture, sugar and similar industries, after obtaining the necessary legal sanction. This would put new life into the Company

On 16 February 1933 he called a special meeting of the shareholders, and placed for their consideration a proposal to alter the objects of the Company. The proposal was accepted. Actually, the High Court's consent was required, but since the majority of the shareholders agreed to the change of objects, the Judge too saw no objection—although His Lordship could not refrain from expressing his doubts as to how far it was wise, or would be found profitable, to change the original objects, and ask a company doing reinforced concrete work to take up sugar-making and all the uncertainties of agriculture. Even Walchand's learned counsel, the most eminent and distinguished of his profession, and also in the public life of India, called it Walchand's own funeral, if he wanted it so. He was not

alone; many others among Walchand's fellow businessmen expressed their doubts and astonishment at Walchand's changing of the objects. It was pure gambling, they declared, and Walchand would burn his fingers. Many expressed the same view, openly

All these were men insufficiently acquainted with Walchand's farsightedness and fundamentals of thinking. Before preparing any of his schemes, he would minutely examine in his mind both the present circumstances and those to be expected for the future, work out the figures, and come up with the right answer. Although he had not cared for mathematics in his student days, yet there were no wrong figures in his life and his business. His dislike of arithmetic did not prevent his pleasure in statistics. For the production and products of many industries, he could reel off the latest figures of income and expenditure, profit and loss. Of their current situation he had full knowledge, and his mind had also formed a definite opinion about their future development He had the prophetic power of projecting himself into the future and seeing clearly what would come to pass His intuition was like an X-ray. Consequently his impulses were never at fault He never permitted Fancy to quit the shelter of Reality and stray unchecked, but kept her always on a tight rein.

Some of Walchand's actions were so unexpected and sudden, as often to leave his associates and employees astounded and bewildered No time would be given to them for reflection Whatever Walchand planned, must be executed on the spot without an instant's delay; and knowing his insistence on this, they had to get down to it without a word "I have already decided," he would tell his associates and employees "My plans are made Start working right away now. Don't waste my time asking me why or how I have made the decision weighing pros and cons, and with full faith in it. You must put the same complete trust in it, gird up your loins and get going" And with these words, he would make them "jump to it". Once he had decided to do a particular thing, he would be on to it without a moment's pause, and thereafter the work would proceed at a pace faster than car or plane His mind worked faster than wireless waves. In view of his habit of instantaneous execution and compelling others to the same, his friend and colleague Narottam Morarjee jestingly dubbed him "Mr. Rightaway Now".

As soon as he decided to set up a second sugar factory like Ravalgaon, Walchand wrote out an order for machinery from England The only point not yet decided was, where to buy the land.

He was fully persuaded that, for a sugar factory to succeed, it

must possess its own cane-fields. Accordingly he went in search of land capable of growing cane and in the neighbourhood of a canal. Somewhere about the end of 1932 he left Bombay, with his friend Mahadev Laxman alias Babasaheb Dahanukar, and his chief manager Amichand Daluchand Shah, to look at lands in the vicinity of the Nira Canals. From Kurduwadi and Sholapur he came to Akluj Here a large-scale project had started under the Saswad Mali Company, on lands leased for thirty years, for irrigated sugar-cane, and steps were being taken to erect a sugar factory Walchand talked to the members of this Company ; they invited him to come there, and promised to supply him with cane "I will come," replied Walchand, "but you would have to give me the land which you have so far taken You would have to give up building your own factory and help me build one for myself. I am one hundred per cent sure that you cannot succeed in the sugar industry unless you have your own cane-fields and factory." The Mali Company turned down this proposal, and Walchand went on to Phaltan

Here a sugar factory had been newly opened by V S. Apte, Mafatlal Gagalbhai and Nihalchand Lalluchand—The Phaltan Sugar Works Ltd Walchand looked at the work done there, and inspected land around about Phaltan Thence he proceeded to Nira, dined with Ramchand Amichand, and halted for the night at Baramati Next morning he reached Kalamb, where he put up at the Irrigation Bungalow Babasaheb Dahanukar had previously looked at this area, and had leased some lands there with the intention of erecting a sugar factory

Walchand made a close inspection of Kalamb and part of its adjoining villages. It was a 'barren and undeveloped tract on the Nira Canal Most of it was practically uncultivated in spite of the canal, either due to the presence of salt or to the shallow nature of its top soil' Large stones were strewn over it, and scarce a tree or a bush met the eye. The soil depth varied from eight to thirty inches, below which was bare trap. These lands had never known a plough or a human dwelling. Only on the actual verge of the Nira River, which serves as a boundary between the Districts of Sholapur and Poona, was there a little straggling habitation

The village of Kalamb falls within the Indapur Taluka of Poona District. Through this area flows the Nira Left Bank Canal, of which however the farmers took little advantage. For their lack of funds, ploughs and advanced farming knowledge, the canal water just ran away It was the old story of offering spectacles to a blind man.

After inspecting the Kalamb lands, Walchand came to the decision that this was where he would erect his sugar factory for Marsland Price and Co Babasaheb Dahanukar, even though he had previously taken the lease of certain lands there, did not personally care much for them; and since he had acquired good land at Belapur (where Tilaknagar now stands, in Ahmednagar District) he was eager to give them to anyone. Walchand was aware of this, and asked for the lands, which Babasaheb was only too glad to let him have. There were also other lands, some of which he had leased, and some bought outright from the farmers.[1] True to the farmer's nature, he kept the good land for himself and gave Walchand only the poor, barren and unprofitable land. Walchand laughed up his sleeve, and without a murmur took all the land that they gave him, of whatever sort and in whatever condition

On the other bank of the Nira River, the Right Bank Canal flows through the Malsiras region of Sholapur District. Round about here also Walchand took land "To turn this stony, rock-strewn, empty desert into a blooming garden," he told himself, "will be a real man's job The farmers are laughing me to scorn for my 'folly'. Let them laugh One day, these very men will come forward to congratulate and thank me I will show them the actual way to make barren land fruitful, to get gold out of stones."

He plunged into the work of reclaiming the land Tractors, bull-dozers and other necessary machinery arrived, rocks were broken, stones cleared away; land was levelled, manured, got ready for cultivation By one means after another, Walchand made the land gradually better and better At a cost of some five lakhs, he installed twenty miles of drainage line and a four-mile subterranean pipe-line, which freed the land of salt and water-logging.

After erecting the factory, he went into production with a Krupps Crusher, in the third week of February (1934), 9,039 tons of cane were crushed This being *pundya* cane, the sugar yielded was no more than 8 37% The sugar production amounted to 797 tons. At this time the factory's daily crushing capacity was only from 150 to 250 tons In after years, large quantities of shoots of P O J and E K. strains were imported and planted The planting was done in three batches: (1) *adsali* (maturing in eighteen months) (2) *suru* (maturing in twelve months) (3) *khodva* (cane which sprouts afresh after cutting). It was done in a scientific and

1 In the Company's Report for 1933-34, we find the purchased land listed as 90 acres, and the leased as 3500 acres

systematic manner, and the result was a revolutionary change in the per acre production and the yield of sugar. The vast improvement in the type of cane began to give a sugar yield of 11.9%. Sugar production was 500 tons in 1935-36 and 600 in 1937-38; in 1939-40, 13,597 tons were produced from 1,22,517 tons of crushed cane

In 1934-35 there were 1049 acres under cultivation, giving 40,075 tons of cane; in 1938-39 these figures were respectively 2077 and 1,09,918 In 1933-34 the Company paid Rs 20,609-13-6 in taxes to Government's Irrigation Department and Rs 12,706 to the Excise Department, in 1938-39 these sums had respectively grown to Rs 1,32,046-15-6 and Rs 3,79,989[2] These figures give a clear notion of the steep rise in agriculture and sugar production at Kalamb over these brief six years

Within three or four years of the factory's erection, the well-nigh defunct Marsland Price Company picked up again; it wiped out all the previous losses, and began regularly to pay a satisfactory dividend to its shareholders In 1938-39, it paid Rs. 20 on each Ordinary share The fully paid-up capital, which had been six lakhs in 1933, became in 1938 thirteen and a half lakhs From 1939 the shareholders, who had been able to receive nothing from 1927, were paid regularly The man who in 1933 had cried that Walchand, by changing the Company's objects, was preparing for his own funeral, now had to eat his words "We spoke too soon," he confessed, as he watched the victory parade. "We did not allow for Walchand's policy and his ability to get things done."

It is not strange that many should at first have thought Walchand crazy for his efforts to give Marsland Price a new birth at Kalamb; what is remarkable is that such feelings should have been shared by close and intimate friends such as Amichand Daluchand. Even Amichand, to whom Walchand had entrusted the management of the works at Kalamb, felt no assurance of success. He was always saying, "It's a carrot pipe If it plays a tune, well and good; if not, we eat it" True to this, he maintained a policy of tight-fisted economy For the first two years he refused to construct a single building apart from a temporary shed for the factory—and that too of iron sheets Everyone had to live in tents or tin huts, temporarily floored with stone slabs His idea was that in case the factory had to fold

2 Even with such a large payment to Government, the canal water began to be found insufficient for the increasing cultivation The management accordingly began to draw water directly from the Nira River through a two-foot pipe, using an electric pump

up, the sheets and slabs could be torn up and used elsewhere Amichand refused to build even a small brick cottage for Walchand. But when Walchand heard that Amichand was to be away for several days, in 1934, he got the Works Manager and Supervisor, Malharrao Madge, who was holding charge in Amichand's absence, to run up a small bungalow in twenty-one days.[3] When he saw this on his return, Amichand had a fit. He vented his wrath on Madge and the others, who calmly replied : "Boss's orders".

With the progress being made in farming and land reclamation, the supervisors in charge of these keenly felt the lack of conveyances Under Amichand's "carrot pipe" policy, they could see no chance of these needs being met. Without vehicles, they found it impossible to move around expeditiously, with the result that the pace of the work slowed down. On one of his periodic visits to Kalamb, Walchand investigated the cause of this slowing down, to find that the lack of conveyances—horse, cycle, motor-cycle, etc —prevented the supervisors from keeping a constant eye on the work, spread as it was over many miles. Knowing Amichand's policy, he wasted no time on discussing the point with him, but on his return to Bombay he despatched cycles for the supervisors These in their turn, without a word from Walchand either written or oral, understood his orders perfectly With the wheels of the cycles, the wheels of the work began to roll swiftly on

It was an article of faith with Walchand that if agriculture is to be run as a profit-yielding business, old worn-out and ineffective ways must be discarded in favour of new and scientific methods, and it must be conducted on an extensive scale with the aid of highly developed machines ; only in this way could an undeveloped country like India achieve economic development It was with this view that he formed his plans for the farm and factory at Kalamb For agriculture, he preferred not to rely solely on Kalamb ; he therefore acquired land on both banks of the Nira in eight more villages (three in Poona District and five in Sholapur District) part on lease and part by purchase This region had been officially notified as "factory area", comprising 28,000 acres from nine villages including Kalamb. Out of these, Walchand acquired 17,000 acres for his Company. The region is traversed by both the Right Bank and Left Bank Nira Canals

Today the Company holds 8,268 acres of its ownership, with

3 Today this bungalow is used as a Guest House

8,130 on lease Out of these, 10,500 acres could only be acquired with all sorts of effort and trouble. That Walchand could get them, was due to the assistance of a persevering and devoted employee like Shivlal Kevalchand. Since his fifteenth year, Shivlal had been with Walchand, whose relative he was. Walchand used to entrust him with various commissions in various concerns, and he had thus acquired a many-sided experience Shivlal was adept at summing a man up, and knowing how to treat him and how to get his way with him. He was thus well equipped for overcoming the villagers' initial prejudices and charming them In knowledge of human nature he resembled Walchand, who made good use of his talents. Walchand gave him complete charge of the tricky business of acquiring the lands and making the subsequent arrangements, work which he accomplished in the most responsible and dependable fashion

When Walchand started farming at Kalamb, he derived much benefit from the advice of the celebrated Baramati sugar-cane expert, Rao Bahadur Dadasaheb Shembekar. "In the confidence that the beaten track should be largely abandoned and agriculture should follow a new path, and that lift irrigation should be shown to be profitable, he had leased thirty acres of land at Nimbut in 1927, installed a pump on the Nira River, and made a conspicuous success of a model fruit garden Next year, he bought three hundred acres of waste forest land at Rajegaon, and successfully brought it under the plough." Such was the persevering and enterprising gentleman whom Walchand appointed as his agricultural adviser, and under whose guidance he rapidly effected numerous improvements in his fields, and through whom he also conducted some experiments. Among these experiments was one of supreme importance, namely that in which the then Farm Manager, S. G. Deshpande, obtained a record per-acre crop of cane. Of this experiment, which possesses an outstanding importance for the history of cane-growing in Maharashtra, Deshpande relates the following[4] :

It was December 1933 Myself, Walchand, his brother Lalchand, and Rao Bahadur Shembekar were walking through the cane fields at Ravalgaon Sugar Farm As we were looking at various cane crops, Lalchand showed me a particularly fine crop of *adsali* and asked my opinion of it To produce 80-85 tons of cane to the acre on inferior land like Ravalgaon, was really wonderful. All the same,

4 From a Note specially written by S G Deshpande for the present biography.

I said to him, "What is there so special about that? Show me an out-turn of 100 tons, and I will call it a real achievement. The world record for cane production is 129 tons, and in our climate I reckon we could place the record at 100 tons. So if you have a crop of that quality anywhere, show it to me" Rao Bahadur Shembekar was standing all close to us.

Just then Walchand called to Shembekar, "What's going on among you all?" Shembekar told him the purport of our talk. Walchand suggested to the three of us that if a 100-ton crop was possible, we should hold a competition for all the sugar factories along the Deccan Canals and all the cane cultivators, and indicated his readiness to offer a prize of a thousand rupees for it. One of the conditions laid down was that the competitor must plant a three-acre plot in one place, in which the cane from each acre must be separately cut and separately weighed; the prize would go to the acre which produced 100 tons, or the greatest weight above 100

In order to test whether he had made a correct move in the direction of getting the highest per-acre production of cane, and intending to take advantage of any useful suggestions which might be forthcoming, Walchand notified his plan to Bombay's then Director of Agriculture Dr Burns, to the Deccan Irrigation Circle Engineer C C Inglis, and to the then Managing Director of the Belapur Company Sir Joseph Kay, as well as to certain leading irrigation farmers. He asked for their remarks These persons recorded their opinion on Walchand's plan as under·

(1) Dr. Burns: "I am somewhat doubtful whether the encouragement of mere weight of cane per acre is a desirable thing What we require, I think, is the greatest outturn of sugar per acre compatible with outlay, i e., the most economical production of the largest amount of actual sugar When you have enormous sugarcane yields, the Brix considerably falls"

(2) Inglis. "In a previous letter you objected to my calling a 100-ton crop a freak crop I still adhere to my opinion, on the ground that such a crop would not be grown as a business proposition by Sugar Companies Very heavy crops, such as those grown in Hawaii, are profitable because the labour conditions are entirely different to those in India Hence I say that giving a prize for such a crop leads nowhere."

(3) Sir Joseph Kay: "Growing such heavy crops will impoverish

the lands, and have an adverse effect upon the industry."

(4) Shrewd irrigators in cane production, such as the Saswad market gardeners, expressed their doubts as to the possibility of producing 100 tons to the acre.

After growing our cane, he said, we are obviously going to make jaggery and sugar, so that merely growing a watery cane serves no purpose Walchand appreciated that increased cane production must go hand to hand with increased sugar content, and he therefore decided to offer a further five hundred rupees as prize to the one who showed the highest per-acre sugar yield

In all these activities, a total of twenty-one competitors from four sugar factories took part The prize plots were cut between December 1935 and the end of February 1936. The resulting figures of cane and sugar production gave the lie to the foregoing advisers' first pessimistic and discouraging opinions, and these activities produced record out-turns of cane and sugar, as under[5].

(1) The prize for the record production of cane per acre went to Kalamb Factory, with 103 27 tons

(2) The prize for the record sugar production per acre went to Belwandi Sugar Farm, with 11 63 tons

Thus India's first records for cane and sugar production were set up at Kalamb (Walchandnagar) and Belwandi in Maharashtra, and Walchand compelled the Government of India to conduct experiments in heavy production at its sugar research centres At that period the cost of cane-growing in Maharashtra was almost double the cost in North India, thanks to the far higher expenses which the factories along the Deccan canals had to bear for water-rates, land drainage, land reclamation, land rent, and so on Consequently the per-acre cost of cane-growing was very high , and being of an annually recurring nature, there was no way to avoid it Walchand thought over all these things from the business point of view, and made a careful note that nothing but increased production of cane per acre could reduce the per-ton costs of cultivation The cane-crop competitions which he had started, have therefore been retained right up to the present, and the cost of cane-growing has been

5 To award the prizes in this crop competition, the following Award Committee was appointed (1) Walchand Hirachand, (2) G R Mahajan, Estate Manager, the Belapur Company Ltd, (3) Rao Bahadur T S Vyankatraman, Government Sugarcane Expert, Imperial Sugarcane Station, Coimbatore, (4) V V Gadgil, Deputy Director of Agriculture, Poona

brought down to the North India figure

Maharashtra's average figures for cane production per acre stand today at one and a half times, even twice, the former figures. Among the steps which have brought about this result, the crop competitions initiated by Walchand hold a very prominent place. Today these competitions are held on ten acres instead of on one, and efforts are directed towards records in sugar rather than in cane. In these respects, Walchand's far-sightedness, and the surely conceived schemes of crop competition which it inspired, deserve to be remembered with acclaim If today Maharashtra leads the Indian sugar industry in per-acre production of cane and sugar, it can be claimed with no exaggeration at all that a major part of the credit goes to Walchand

Just as he had done at Ravalgaon, Walchand deliberately selected new young men, with University degrees in agriculture and chemistry, for the Kalamb factory and farm,[6] and got them constantly guided by experienced experts like Dadasaheb Shembekar, G R Mahajan of the Belapur Company, Rao Bahadur T S Vyankatraman of the Coimbatore Sugar Cane Station, and Srinivasan of Mysore The result was a steady rise in cane and sugar-making[7]

Sugarcane was not the only crop To give a rotation to land unsuitable for cane, attempts were made to grow jowar, bajri, wheat, cotton, vegetables, etc. While growing these, care was taken to avoid spoiling the texture and strength of the land, and to use water sparingly with proper drainage Walchand started the practice of giving all his workers, over and above their pay, a free daily ration of half a seer of jowar and two ounces of dal Of the grain required for this, 60 per cent was grown on the land itself Food production was economically unprofitable, but in starting it, the chief considerations were the country's food shortage and the workers' convenience

As a natural concomitant of agriculture, attention turned in due

6 Among these, we notice the following names Farm Manager, S G Deshpande, Asst Farm Manager, T V Ganpule, Supervisors J A Gumaste, D K Joshi, P K Purohit, G M Godbole, Chemist, G H Bhagwat

7 The figures given below clearly illustrate the progress referred to

Year	Crushed cane (tons)	Cane crop (tons)	Sugar content (% age)
1934-35	1049	40,075	9 24
1935-36	1374	55 340	9 64
1936-37	1349	64 716	10 28
1937-38	1568	83,503	10 85
1938-39	2077	1,09,918	11 09

course to the rearing and care of animals. These being needed for ploughing and draught, as well as for milk and dung, a beginning was made with 200 cattle, later raised to 700. By using the otherwise wasted tips of the cane stalks for fodder, the feeding costs were greatly reduced ; also, the animals were used for work on the land, besides providing abundant milk of good quality for those who lived there, and dung needed for the soil, and hence it was possible to keep such a large herd. In 1936 Walchand started a dairy of his own. Whenever some inquisitive person asked him how much milk he got, and how much income from it, he used to reply, laughing all the while, "Oh, what we really and chiefly make here is dung, not milk." Today this dairy possesses more than 450 milch animals, and modern machinery has been installed there for pasteurization. Every day, after supplying the needs of the factory staff, it sends some 400-450 seers of milk for sale in Poona and Bombay.

From the first, Walchand was very particular about the proper care of his animals. His managers were strictly warned that on no account and in no respect were they to be neglected. He did not like them to be neglected at all, even when they were past milk-giving. Instead of handing them over to the butcher, he made separate arrangements for them to live, with fodder and water and medical care. This old and worn-out animals' section he used to call "the Pensioners' Quarters". To look after the health of the animals actually working, as of those past their work, he set up a separate dispensary and appointed to it a diplomaed veterinarian. His feeling was that all, whether servants or domestic animals, were members of his family.

In July 1935, Walchand's friend and chief assistant for many years, Amichand Daluchand, severed his connection with the Company's business. He had found it less and less possible to adjust his outlook and methods to Walchand's new outlook and methods of working. To fill his place, Walchand felt the need of someone who would attend to all matters with the same devotion that Amichand had shown. He fulfilled this need by appointing his brother Gulabchand as Managing Director, with Maganlal Hirachand Shah to assist him on the factory's technical and constructional side. He always felt that the menfolk of his family should be trained conformably to the new age, play their part in the various industries started by him, drive these smartly forward, and leave on them the stamp of their own ability. It was with this view that he had already engaged

his two other brothers, Ratanchand and Lalchand, as well as his nephew Govindji, respectively in the Hume Pipe Company, the Ravalgaon Sugar Factory and the Ravalgaon farming.

Gulabchand alone, although the eldest of his three brothers, had hitherto not been much connected with Walchand's industries. His bent was much more towards national service than towards industry and business For most of his early years he was at Sholapur, where he grew up under the strict eye of his father. He took great interest in physical exercise and liking for reading, writing, and popular movements. He was always eager to join in any social or national activity When Lokmanya Tilak visited Sholapur in 1918, Gulabchand was the leader of the band of youngsters who presented him with an address. On completing his higher studies, he at first spent many years at Sholapur, looking after his father's business and at the same time taking part in public activities

"Gulabchand's efforts were mainly responsible for the appearance of Sholapur's once very well-known newspaper *Karmayogi* This paper, whose reputation was built by Rambhau Rajwade and Bhausaheb Khadilkar, published Gulabchand's articles on many important topics For many years he looked after the paper's financial and commercial side. His efforts established a national school at Sholapur, in which he also served for some days as a teacher He was always required to do such work as establishing peace during Hindu-Muslim riots, composing quarrels among the gymnastic bodies, making them dwell in harmony, and encouraging all to live without fear. For a number of years he was a councillor of the Sholapur Municipality For a while he occupied the posts of President and Treasurer of the City Congress Committee and Member of the All-India Congress Committee. During the Non-co-operation movement of 1930, a satyagraha campaign broke out at Sholapur as in other places Martial law was declared at Sholapur on 15 May 1930."[8]

In view of the disturbed atmosphere in the city, and the vindictive policy of the Government, his well-wishers advised him to leave Sholapur and stay underground for a while; he therefore went and lived in Goa for a few months, afterwards proceeding to Bombay Assuming that with the completion of all cases under martial law, the situation would have somewhat calmed down, he returned to Sholapur at the end of 1931. However, he was quickly arrested,

8 M M Madge

along with Dr Antrolikar and Shankarrao Rajwade and others, on 6 January 1932 He was confined in the Bijapur Jail, and released after two months on condition of staying at Karmala On hearing that one of his daughters was ill, he dashed off an application for permission to visit Bombay, and immediately went there. After staying for eight days, he returned to Sholapur after prior notice to the white Collector. On reaching the Station, he was shown that fellow's written order and conducted to his bungalow. After a long talk with the Collector, he was arrested while leaving, sent to the lockup, and prosecuted In that case he was sentenced, on 18 April 1932, to eighteen months rigorous imprisonment and a fine of twenty thousand rupees The sentence was subsequently set aside, but in the meantime he had to spend some months in jail The speeches which he delivered at Sholapur on his release were extremely fiery and critical of imperialistic tendencies

In 1935, when Amichand Daluchand finally left Walchand, he handed over the reins of Marsland Price's Kalamb industry to Gulabchand After coming to Kalamb, under Walchand's guidance Gulabchand effected an amazing transformation in the appearance of the factory and the landed area, within the brief space of six or seven years Shripad Mahadeo Mate, a leading litterateur with an inquiring mind, and fine literary tastes, in Maharashtra visited Kalamb during the Ganapati festival of 1942 In an article written in his inimitable style he describes his visit very vividly and gives the impression created on his mind by the wonderful change that had come over the land He writes .[9]

"My original expectation was that I should find this factory standing on an acre or so of ground, with maybe one engine going *phut phut phut* But when I left Baramati some way behind me, and entered Seth Gulabchand's Sugarland, I began to feel ashamed of the ideas I had in mind about this factory At each step I could see that I was passing through a region permeated, in an ever-increasing degree, by skilful planning, abundant prosperity, new concepts of settlement, a concentration upon applied science, mysterious recognition of a new philosophy, taste of a high order, sympathy sincere rising ambitions, far-flung activity controlled by a single hand, and a whole epic of growth. I had known this part since childhood, a land which boasted of scorching sun, a surface pockmarked all over with its tilth an endless aridity, shepherd's flocks, and their long-

9 S M Mate "Walchandnagar", *Sahyadri* magazine, January 1943

bodied savage dogs with their staring ribs—and nothing more But today, where'er I glanced, there was the chuckle of water and the soothing of bright green cane crops At every furlong I could see that this land had been blessed with some vigorous awakening, fresh and modern, showing an urban refinement in a rustic setting When I drew quite near to the actual dwellings, I had the impression of a fine city newly settled On all sides one saw the marks of urban culture To say that the first sight of houses and factory filled me with joy, is true enough; but next day, when we began to look into the smallest details, our joy became twofold—nay, rather I must say, tenfold.

"The houses and barracks for the factory's executives and workers appeared so clean, airy and convenient, that in the surrounding districts whence these workers come to live here, they cannot find in any house such an excellent amalgam of convenience, hygiene, fresh air, and cleanliness The Seth has enforced the practice whereby people of all castes take the tap water in common here, and live in the barracks side by side Here men are not segregated into Touchable and Untouchable As the settlement grows and grows, and begins to acquire the form of a town, he has decreased the use of the name 'Kalamb', and given it the name of his elder brother, so that today people call it 'Walchandnagar'

"At the approximate centre, a spacious garden is being made, with spacious pools for swimming built close by Such a large population has need of a bazar, and so a small market had been constructed In fact, to meet the population's need, a post office has been established Guards are provided night and day for all buildings, and during the hours of night, arrangements are made to patrol all the inhabited part

"The whole factory area is forty square miles, or 27,000 acres, and all over it work of various kinds is going on. Accordingly these workers have formed a number of small colonies For these, buildings have been erected, with six primary schools for their children; in Walchandnagar itself there is a school providing secondary education All these schools have their own buildings, while the secondary school's building is so fine that one wonders how many schools are so fortunate The classrooms are good and spacious, with no lack of air and light There is a large and excellent playing ground, with plenty of apparatus for instruction Teaching here is entirely free, it should be noted There are two dispensaries, one English style and one Indian style, a qualified doctor and a vaidya stand ready

to serve the sick Medicines are provided free to all the sick among the grades of workers, as well as the surrounding villages There is a separate maternity home, to which good and devoted nurses are appointed ; here the wife of an ordinary man can have her delivery at a cost of fifteen rupees A broad open space allows all the towns-people to play of an evening , and beside it a sports club or gymkhana had been built, also a library Close by, a guest house is erected

"Next day we set out to see the beauty of the cane fields The Seth's buses run of course from Diksal Station up to Walchandnagar ; but in order to provide communication over all these fortyfive square miles, 65 miles of railway have been laid down. Of these, 21 miles run between Diksal Station and the factory, and the remainder through the cane fields. Since the cane area occupies both banks of the Nira River, it has been possible to make ample use of both the canals, Right Bank as well as Left Bank Indeed, for crossing the river a very long bridge has been built, which carries train, car and bullock-cart traffic As the cane area is so extensive, and is likely to increase more in the future, transport communication by the ordinary and usual methods would not have afforded the requisite swiftness, hence the provision of railway facilities.

"We were to embark on this tour of the fields ; so the two handsome coaches, which Seth Walchand has constructed for his own and his executives' journeys, were kept ready These coaches were made at this very place, and the Seth firmly insists that everything in them shall be kept Indian Viewing from the front, you feel as though a temple chariot were approaching This chariot form has been given by scrapping the normal railway shape and by the use of arching and attractive artistry in the Indian style. As one wanders all over this region, one is delighted by the spectacle of the bright green stands of cane But the joy is still greater for one who remembers the former barrenness, as he beholds today's luxuriance Glancing on our way at the buildings scattered here and there, the primary schools, the executives' offices, we came to the chief habitations. And then our train turned towards an entirely different building

"As the cane growing is abundant, we find here a superabundance of fodder in the form of tops of the same which have generally to be thrown away otherwise Actually it was the desire to use up this fodder which gave the Seth the idea of a dairy And so the sugar factory gave birth to a great big dairy equipped with all modern scientific apparatus There is a pasteurisation plant attached

to the dairy, which can deal with about 1,100 pounds of milk per hour. There must be about 450 she-buffaloes here Every night the dairy sends ten maunds of milk to Bombay Well, this is after all the way one industry begets another; and whichever is capable of being begotten, becomes essential For it is the crowning achievement of modern science that it allows nothing to go to waste

"Next we went to see the factory itself. Seth Gulabchand is a remarkable man. He is perfectly acquainted with the detailed working of this extensive activity which he has created All things have been done, and still go on, under his minute scrutiny He had effortlessly given us detailed information on every object that we had seen so far We were able to appreciate his talents all the more, when we entered the actual factory The factory turns out one lakh and twenty-seven thousand bags of sugar annually Fifty-lakh maunds of cane are crushed each year, and five-lakh maunds of sugar produced.

"The thousands of acres of cane planted for the factory consume annually ten thousand tons of manure fertiliser Truly one industry flows out of another This fertiliser is made from ground-nut cakes So many cakes are needed, that arrangements have to be made for crushing the kernels, this involves—an oil mill! So a great big oil mill has been set up[10] The starting of an oil mill has given us the opportunity of seeing all the processes of ground-nuts

"A short distance away, a building has been erected for chemical research[11] When we looked inside, we saw six or seven young men, each at his bench, trying out different kinds of experiments Whenever any thing is made, any waste residue is sent to this laboratory, here their task is to analyse, test and refine it, and see what new substance can be derived from it Madras Province has a very large department for grafting sugarcane Cane is even grafted on to bamboo Out of these many forms of sugarcane, it is necessary for us to see which will flourish in our land And therefore steps are being taken, both in this laboratory and in the canefield, to make a close study of the qualities of the cane, as well as of the different kinds of land in our cultivated area According to the findings there arrived at, the planting of cane goes on.

"The advantage derived from all this research is very great

10 This mill was erected in 1938

11 The building is named 'Vidnan-Deep' (Lamp of Knowledge) The amount spent on the research which is always going on here, cannot be equalled anywhere outside The laboratory has a large and select library, and care is taken to keep it up to date

indeed. The cane which we saw there is quite different from our usual cane ; our teeth will not be able to chew it, because its rind is excessively tough Jackals leave it alone.

"Our visit coincided with the Ganpati festival as well as the Jain festival of the *Paryushana Parva* Gulabchand is renowned for his devout Hinduism, which appears in his every action Even the uniforms which he has allotted to his watchmen are in the old Mavli fashion Everywhere, in all possible quarters, care is taken to display the marks of Aryan culture The festival arrangements had been made in the vast godowns The entire population of the settlement used to attend all the ceremonies. There were all sorts of speeches, songs, hymns and so on. In that place we came to understand the Seth's relations with the subordinate common working class and the educated executive class 18 agricultural graduates, 10 mechanical engineers, 12 graduates in chemistry, one law graduate, 10 holders of ordinary degrees, 3 medical graduates, 2 vaidyas, 2 civil engineers, one veterinary surgeon, 22 school-teachers, and (when all the mills are in operation) nearly seven thousand persons in the workers' grade—all constitute a huge body of men which it is not easy for a single hand to control , and yet we saw Gulabchand doing this with consummate ease He was ever developing fresh ideas Thanks to the festival, the house was crowded ; and yet the noble man carried his programme through, laughing and joking with one and all

"The Seth has no hobbies, no relaxations beyond looking to the work of the factory and deciding what more he can do for the happiness and comfort of the people He perfectly understands the meaning of such terms as Salary, Rights, Agreements and so on He is no less aware of the new workers' movements ; in these present times, even fair and good treatment fails to satisfy them Out of sheer generosity, at the commencement of each rainy season he gives a tasty dinner to all his workers To each women he gives a sari and a bodice ; to each man, shirts and turbans For this he spends about three quarters of a lakh of rupees Yet when one sees how his mind is thinking how to make his subordinates' lives happier than this, one's regard for him is doubled."

In the selection of his assistants, Walchand was always careful. However, once the selection was made, he would put full confidence in the person, and entrust all his designs to him. He would give him such freedom of thought and action as would promote the development of those designs. A clear example of this is the way

in which he selected Gulabchand and enabled him to create a new world at Kalamb, in the shape of "Walchandnagar".

Walchand's Kalamb scheme had once seemed to Amichand Daluchand a "carrot pipe"; but Gulabchand's creative ability had shown the world that here was no "carrot pipe", but rather a "magic wand".

11.

WHO ARE THE PIRATES? WE—OR YOU?

EVEN as efforts were being made in many directions to stabilize Walchand's agriculture, sugar, construction, concrete, and steel pipe industries, and to develop them rapidly, there was another industry which he had doggedly conducted We refer to the seaborne mercantile freightage carried on through the Scindia Steam Navigation Company which he had established. This was especially dear to his heart, being, as he felt, bound up with his country's honour as well as his own He had virtually promised that no matter what trouble he might have to endure, what difficult situations he might have to create for himself, what great sacrifices he might have to make, in order to preserve this honour, he would unhesitatingly march ahead through trial and error, and strive to the end

There was a ceaseless harassing by his opponents, vile tactics were employed, all kinds of plots were being hatched, tempting inducements spread their deadly snares about his path ; time and again resort was had to sweet reasonableness or sweet gold, to the bludgeon's stunning or division's cunning The constant efforts to escape from such surroundings with a whole skin, represented a severe ordeal Let his concentration wander but slightly, or his glance waver but an inch from his goal, or his vigilance relax by a fraction, and the next instant would see him plunged into the pit of destruction So terrible and even mortal was his ordeal Walchand knew it all well , and after deep thought he had welcomed it

At the end of 1919, Walchand had repaired his steamer the *Loyalty* and returned from England to Bombay The six cargo steamers which he had bought from the Palace Company in Liverpool, to supplement the *Loyalty*, were still in England, not yet taken on the Indian register. Before this could be done, 1920 entered its second half, and January 1921 dawned ere permission was obtained to sail the seas of India.

After purchasing the *Loyalty*, the Scindia Company had at first started to carry passengers between India and Europe. But as a result of its experiences in that respect during the first two years, it began to feel that it would be more profitable to stop carrying passengers for the time being, and carry freight over Indian waters Accordingly the Company began to look for custom, which was found to be no simple matter In those days, contracts for carrying freight from Burma to Calcutta, Colombo and Madras had been practically cornered by the P & O Company, which Sir John Mackay, now Lord Inchcape, controlled Burma's teakwood industry was in the hands of British firms, and there was not the remotest possibility that they would sidestep British steamship lines and hand over their transport to Indians Only the rice and paddy trade was in Indian hands. If a proper approach was made, there was a chance of getting co-operation from this quarter, yet here too there was the prospect of encountering a very serious difficulty

In the third quarter of the last century, with a view to fore-stalling competition in respect of freight rates, of the sphere of sea transport, and of the carrying to and fro of goods, and to allowing trade to proceed free of risk, the British shipping companies had formed an association called the Calcutta Liners Conference. From 1877 commenced a "deferred rebate system", whereby those merchants who forwarded their cargoes in ships owned by members of the Conference, received at the year's end a percentage rebate on the total freight paid by them If during the year any merchant, attracted by lower rates, sent his goods in non-Conference ships, he would not receive the rebate amount credited in his name, as he was clearly warned The result was to convert the merchants into the permanently attached tenants of the Conference ships; they had no power to escape the position Thus, for a new steamer company to win them over was a virtual impossibility The above facts should afford an idea of how difficult it must have grown, in these circum-stances, for the Scindia Company to win custom for their steamers

Ever since British and other foreign shipping companies planted their feet on India's coast, the Indian sea transport business suffered steady decline In particular the dhows, canoes, galliots, and small and large sailing craft disappeared. From 1845, steam-driven vessels, owned by British companies, sailed the seas of India In the close to 75 years from that date, these companies drove out Indian shipowners and established their dominion over the 4,500 miles of India's coast-line A clear idea of the fearful consequence to the

Indian Mercantile Marine, at the end of the nineteenth century, of the invasion by foreign shipping companies, will be had from the subjoined comparative figures :

	1857		1899	
	Indian ships & steamers	Tonnage	Indian ships & steamers	Tonnage
British and British Indian ..	34,286	1,219,958	2,302	133,033
India ..	59,441	2,475,472	6,219	7,685,000
Foreign ..	—	—	1,165	1,297,604
Total	93,727	3,695,430	9,686	9,115,637

In the ensuing twenty years, from 1900 to 1920, the above situation deteriorated still further At that time the annual freightage of rice, building timber, coal, salt, various oils, and other goods along the coast of India amounted to about 7,000,000 tons, whereas the number of passengers carried was over 1,500,000 on the West coast and about 200,000 between India and Burma The value of the goods freighted to countries beyond the Indian Ocean, and from these to India, would amount to four hundred crores of rupees per year Of all these cargoes, the Indian Mercantile Marine was never able to secure more than 5% ; indeed, attempts were being made to deny it even this small share As has been already observed, Lord Inchcape's B I. Company held the freight trade over the Indian Ocean in its forcible grip, a grip which could not be loosened except by the application of equally forcible pressure upon that Company Of this, Walchand was fully aware, and he began to revolve in his mind schemes whereby he could break the B.I's stranglehold and checkmate the opposing king

After much investigation and considerable thought, Walchand resolved to ply the Scindia steamers between Bombay and Rangoon The rice trade at Rangoon was handled exclusively by Indian merchants, and every year almost five lakh tons were sent from that port to Bombay With the object of seeing whether some portion of the transport could come to Scindias, Walchand hurried to Rangoon, where he met the leading rice dealers and commenced attempts to secure their co-operation. Most of these dealers possessed a national

outlook. They wholly agreed that to forward their goods on ships built with Indian capital and manned by Indians, was a matter of self-respect as well as of patriotic duty. But what about the deferred rebate which they would have to throw away? This was a question about which they would have to think twice.

To them Walchand said, "I do appreciate your dilemma, which is a genuine one. I quite see that if you give your cargoes to Scindias and sacrifice your deferred rebate, you will in the beginning be put to loss. But there is a chance of your making it up quite soon. Once our ships start sailing, the B.I. will start to lower its rates, and then we too will have to come down. We shall suffer loss, and in order to survive the struggle, we shall have to be prepared to face such loss for some time. Our Managing Agents will take no commission, and our shareholders will for a while give up expecting dividends. To face the foreign challenge, and firmly establish our young national steamship industry, we must make desperate efforts, for which we must be prepared for sacrifices. We are always talking of the need for every single trade in our land to be managed and controlled by our own people. But when that management comes into our hands, we must have the knowledge and experience to carry on smoothly. Consider this subject of commercial freightage by sea. Today it lies wholly in alien hands. In the shape of freight money, lakhs of rupees are taken from your pocket and my pocket, and sent overseas. So we not only lose our money, but are at the mercy of strangers. Have those people ever thought of admitting us to this business, of teaching and preparing us for it? Their whole efforts are directed towards keeping us as far away as possible. In such circumstances, should we not exert ourselves to tread the path of sacrifice, and leave a rosier future for the generation to follow?"

These well thought-out and appealing words of Walchand could not fail to exercise a favourable effect upon the trading community. Its two leaders, Seth Mulji Dharsey and Sir Abdul Karim Jamal, undertook to give all their rice cargoes for Bombay to the Scindia Company. Other merchants gave similar promises. Walchand summoned the *S. S. Jalapalaka* (formerly *S. S. Frankby*) to Rangoon, loaded her up with 6400 tons of rice sacks within three days, and on January 21, 1921 despatched her to Bombay. No other cargo steamer had ever yet shown such a smart performance, loading from the wharf so many tons of cargo so rapidly in such a short time. It was a truly heroic achievement, which brought joy to the merchants

who beheld it, and drew their goods ever more powerfully towards the Scindia Company's ships.

With all the help that the prominent merchants Seth Mulji Dharsey and Sir Abdul Karim Jamal could give to Scindias, it was not possible for them to find enough cargo to fill all the Company's steamers Besides as Walchand in one of his speeches[1] says "There was a financial crisis in Burma in 1921 and the Scindia Company was consequently left without a patron who could fill its ships. Some timber merchants of Moulmein and some small shippers of rice did come to the help of the Company, but they could not fill its ships Moreover, the rigours of the rate war were daily increasing in their intensity, particularly for the ports where we began to serve and the Company was losing heavily month after month The rate of freight of Rs 18 per ton on rice from Rangoon to Bombay was brought down to Rs 6 per ton by the British India Navigation Company The outlook was gloomy We, however, did not lose heart, but took the bold decision of starting a subsidiary Company which could buy and sell rice on its own account for the purpose of supplying cargo to the ships of the Company Narottam Ltd[2] was thus formed and registered in 1922 We began to carry rice in large quantities to Bombay as well as the ports which were not hitherto served by the foreign monopolistic ships"

Narottam Ltd opened sales centres at such places as Bhavnagar, Marmagoa and other ports Naturally the business of transporting these goods went to Scindias, so that all its ships were in circulation In its first year Narottam Ltd sold two crores' worth of rice and one and a half lakh tons of coal in Bombay. Further, in association with Seth Jagjiwan Ujamsey Mulji, it got the business of importing lakhs of rupees worth of sugar into India from Java

Scindias were the first steamship company to take up this sugar transport work by loading their ships at ports like Porbundar, which the British Steamship Companies had neglected On the day when the unloading of the sugar sacks began at Porbundar, the Rana Saheb attended in person As he excitedly paced the beach, his delight knew no bounds It was literally a golden day in the history of Porbundar. The arrival of sugar swelled the State's customs revenue by nearly six lakhs When the State's total annual revenue

1 Speech delivered, on the occasion of the opening of the 'Scindia House', on the 23rd December, 1938

2 This company was 100% subsidiary of Scindia Steam Navigation Company Neither Seth Narottam Morarjee nor his relatives or any of the officers had any personal interest in this company

did not exceed eighteen lakhs, it was no wonder that His Highness should become thrilled with joy over six lakhs, in the shape of customs revenue, from a single ship.

The steamer's successful introduction to Porbundar delighted and encouraged Scindias' shareholders. They had found a new way to uproot the B.I, sitting like a rock in their path, and forge ahead They now began to feel hopeful of maintaining contacts with neglected ports like Porbundar along the West coast, especially in Saurashtra and Malabar; by developing such contacts, they would defeat the hostility and rivalry of the B.I, and firmly establish their business.

When the Scindia Company started to ply its steamers from Bombay to Rangoon, the B I began their customary game of progressively lowering their rates Ship by ship they brought down their ton-rate for the Rangoon-Bombay trip from Rs 20 to Rs 6 They cancelled the deferred rebate of those merchants who had newly associated themselves with Scindias. They let fall a word in the ear of the Port Trust and the Dock authorities, and began scheming to see that as much delay and obstruction as possible should be created in giving Scindias loading and unloading berths, and similar facilities. They also arranged that Scindias should receive no assistance from the firms engaged in stevedoring and bunkering

Walchand had already foreseen all this; but he was not the man to bow to opposition He promptly formed a subsidiary company known as "Eastern Bunkerers Ltd"[3] to do stevedoring as well as bunkering work, and through its agency he began to complete the work of the Scindia Company as well as others Dependence on outsiders for repairing, fitting out, and cleaning ships necessarily involves an immoderate expenditure of time and money, but this, as he had found ever since repairing the *Loyalty*, is accompanied by a loss of regular income due to the intolerable dependence on others On Narottam Morarjee's suggestion, therefore, he took steps to set up his own yard for repairing and building ships For this purpose he invited to Bombay a European named Kneusden, celebrated as a ship-building expert He got this fellow to draw up plans for a ship-yard; but unluckily the man passed away after

3 A private firm called Nanavati & Vevina used to do this stevedoring and bunkering work, and was running with success Walchand got round its proprietor, brought it under the aegis of Scindias, renamed it "Eastern Bunkerers Ltd" and made it his subsidiary

an attack of food poisoning. Consequently, for the time being those plans could not take practical shape.

When the B. I.'s Directors saw that Scindias had given them the slip and branched out in a new direction, they grew livid with fury. They vowed to join battle on all sides, and to ride Scindias off the range. The P. & O., as well as the B.I., had been all too lavishly compensated by the British Government for all their ships sunk in the Great War ; moreover they had reaped rich profits over a period of years. Hence, their coffers were full to the brim, sufficient to allow them to wage a rate war for as long as they chose ; and they were prepared to do so. Their strategy was, once they had knocked out the competition, to raise the rates again at their pleasure, recoup their losses, and bestride the world. This strategy dictated all these acts.

In facing this war waged by the B.I and the P. & O., whose master was the fellow Inchcape, the Scindia Company's difficulties began to increase day by day. In the first year, with the assured income from hiring out the Palace Company's Frank Line steamers in Europe, they could make a profit of as much as Rs. 5,57,174-14-9. But later, when these were brought to India, they were caught in the storm of the rate war started by that lordling. From then until 1924, it was a ding-dong tale of profit and loss. Whatever small profits were obtained, in the overall context of the amount sunk in the venture, afforded little scope for satisfaction. Meanwhile, with a falling off in India's former demand for Burma rice, and with the universal depression in the market, Scindia's income from freights fell to a marked extent.

The dispute between the B.I. and the Scindia Company may appear to an outsider as an economic dispute between two sets of individuals, but this is not the whole truth. If there was a particular economic policy at the back of it, there was a particular political policy as well. Had India been free at that time, as she is today, this war could never even have broken out. But our land was then under a British rule sublimely indifferent to its subjects' welfare or distress, actuated by a policy of doing its best to loot Indians, while lining its own and its compatriots' pockets. Properly speaking, if we vaunt ourselves to be a country's trustees, we should deem it our duty to encourage and protect the industrial ventures of that country's people, and be vigilant to see that they achieve fruition and prosperity. The British masters never considered that, just as they were always careful about British industries, and were

eager to give them protection whenever necessary, they should display a similar enthusiasm in respect of Indian industries. Right to the end, their policy was to back up their own race and thrust the Indians down. This is History's bitter truth

Just consider this very question of sea transport In all free countries of the world, this business is looked at from the national angle with a political complexion. To have their own strong mercantile marine is held to be not merely ornamental, but an important medium for the nation's economic growth as well as protection A country like India, enclosed by the sea, if it is to lead a free, vigorous and self-sufficient life, has vital need of a powerful navy equipped with up-to-date armaments, a mercantile marine plying not merely over home waters but over the seven seas, ship-building yards, and thousands—nay, lakhs—of trained navigators, besides mariners and seamen That nation which lags behind, which remains feeble and dependent on others in these matters, if attacked by some strong power, will not be able thenceforth to hold up its head Only that nation is powerful, which has a strong navy and a mercantile marine both vigorous and known on all the oceans, whose roots are spread and whose commercial and political contacts reach throughout the globe, and whose policies make their weight felt in the markets and the parliaments of the world. In former days, Britain, Germany and Japan became mighty on account of their sea power. Today sea power must be accompanied by air power. This has been accomplished with conspicuous success by America and Russia, and today, with the might they have acquired, they make their presence felt above all others in world commerce and politics

To increasing and spreading a nation's economic and political power, as well as to preserving its liberty, a navy and a mercantile marine make an important contribution; and hence every wide-awake government considers it as its first duty adroitly to remove their difficulties and keep them strong and efficient It is particularly the mercantile marine which assists and protects not only the navy but also the nation's economic advance; and therefore the government looks with a sympathetic eye to its comfort, financial stability and growth A steamship company like Osaka Shosen Kaisha of Japan is reckoned among the world's best; and yet, to enable it firmly to withstand international competition in transport, the Japanese Government assisted it to the tune of five and a half crores of rupees during the fourteen years 1899 to 1913, despite the

fact that during this period it realised a net profit of almost one and three-quarter crores But why need we look so far as Japan ? We find that same British Government, which lorded it over India, giving aid of lakhs of pounds as full compensation to all those whose ships were sunk during the Great War, or for repairs or new replacements to all whose vessels were rendered useless The Cunard steamship company alone received £ 333,698 from Government between 1924 and 1928 ; and this, quite apart from the insurance premimum of £ 4,800,000 on the Company's *Queen Mary*, which was shouldered by the Board of Trade. If we note the help given to British companies by Government under the North Atlantic Shipping Act of 1934, the British Shipping Assistance Act of 1935, the British Shipping Assistance Bill of 1939, and so on, we shall clearly understand why the British Mercantile Marine appears well equipped and strong at all points, and why it continues to be mistress of the seas

On the other side of the medal, we note Britain's indifference in these respects to the India which she rules, with inevitable regret Just forget the question of actually helping the Indian Mercantile Marine ; after destroying it, the British Government has adopted the policy of enjoying its monopoly in India "so long as the sun and moon endure" In Parliament the British Government could proclaim, "To help in the task of putting full strength into the British Mercantile Marine, and to see that it retains sufficient capacity to face competition, Government conceives to be its duty" It could hear the Indian shipping companies urging that it should feel the same sense of duty in the Indian context ; and yet it would act as though it had heard nothing at all Never once were Indian companies allowed any share in the encouragement given to British steamship companies by way of gifts, or facilities of loans on easy terms And this is not all · Indians did not even get the ordinary indulgence of carrying official luggage, mail or passengers, which would have given indirect help Evidently the stream of Government's indulgence flowed always towards the British companies Witness the special privilege given to the P & O, of carrying the mails to and fro between England and India For this the Indian treasury pays the sum of Rs 6,86,000/- annually By way of contrast, in 1921 when the Scindia Company asked for an opportunity to submit a tender for carrying two lakh tons of coal, required by Government, from Burma to Calcutta, Government would not grant even this concession The coal-carrying con-

tract was given to a British firm for ten years; what rate this contractor had quoted remained a secret. In an India ruled by a Government so prejudiced, for Indians to enter the sea transport business was a matter of grave risk requiring great daring. While appreciating the whole situation, Walchand made a careful note that the battle of Indian sea transport must be fought, not solely on the economic stage, but also on the political stage One by one he began to move his pieces in a definite direction, on the chess-board of political manoeuvring

Walchand met the country's political leaders; he met the patriotic Indian members of the provincial and central legislatures and the Council of State, he met the editors of influential newspapers To all these he expounded the vital necessity of creating an Indian National Marine, the urgency of taking steps to give nautical training so that it should be run entirely by Indian officers and men And he sought to get them to take action, each in his own way, along these lines He got Sir P. S Sivaswamy Ayyar and Sir Lallubhai Samaldas to raise these questions in the Central Legislature in Delhi, as well as in the Council of State. On January 12, 1922, Sir Sivaswamy brought forward a proposal in the Central Legislature, to the effect that "an official committee be appointed to enquire thoroughly into what steps can be taken in the matters of establishing an Indian Mercantile Marine and giving encouragement to the ship-building industry, and thereupon to make suitable recommendations" Sir Sivaswamy was renowned as a legal luminary of fine grasp and balanced thinking A prominent leader of India's Moderate Party, he was also known as "*Mr Wisdom*" He enjoyed considerable influence with both the official and non-official members of the legislature

On this day, after recounting the glorious past history of India's navigation and ship-building, he held up the heart-rending picture of their condition today, in a speech which was full of erudition and loaded with unanswerable arguments, and thus he won the sympathy of most of the members He received support from Sir Vithaldas Thackersey, Kabiruddin Ahmed, Sir Deva Prasad Sarwadhikari, K C Niyogi, Lt.-Col Gidney, R. A Spence, and the representatives of various provinces and bodies; all these speakers agreed that the question of establishing an Indian Mercantile Marine was an extremely urgent and essential matter At first, on the Treasury benches some sanctimonious members fretted and fumed, while others expressed their doubts Sir Charles Innes of the Viceroy's

Executive Council, Member in charge of Commerce and Industry, remained true to the character of the government official and attempted a lame justification of Government's past policy. But eventually the proposal,[4] after slight modification, was passed without a division.

Two months after Sir Sivaswamy Ayyar's resolution, on March 16, 1922, Sir Lallubhai Samaldas introduced a second proposal in the Council of State and got it accepted. This proposal was that "a steamship-building industry be set up in India, and a committee of both officials and non-officials be appointed, to explore and consider the ways in which it can be assisted to make the best possible progress, and to make recommendations "

The Fiscal Committee appointed by Government in 1921, with Sir Ibrahim Rahimtoola as Chairman, received complaints from a number of merchants to the effect that the officials in charge did not display the same prompt and efficient care in respect of Indian merchants and domestic goods as they did in the case of arrangements for the transport, and for their despatch after unloading to various places, of goods received from abroad belonging to foreign companies with their exclusive monopoly and that they found a very great disparity of incidence between the rates for transport from one Indian port to another and those for transport from foreign to Indian ports, which produced an undesirable effect on the price of goods, resulting in heavy loss Walchand in his turn, on behalf of the Scindia Company, wrote a memorandum on the existing state of sea transport, together with a scheme for its amelioration, and submitted these to the Commission For the purpose of India's sea transport, he suggested, the coast of India should be reserved for Indian ship-owners,[5] practices like Deferred Rebate should be declared illegal, and the Government of India

4 The resolution was adopted by the Assembly without division, but in a different form, recommending to the Governor-General in Council that a Committee including experts and non-official Indians be appointed to consider what measures could usefully be taken
(i) for the liberal recruitment of Indians as Deck or Executive Officers and Engineers of ships ,
(ii) for the establishment of a Nautical College in Indian waters for the purpose of training Executive Officers and Engineers of ships ,
(iii) for ensuring the entertainment of Indian apprentices for training as Officers and Engineers in the ships owned by shipping firms that enjoyed any subsidy, etc ,
(iv) for the encouragement of shipbuilding and of an Indian mercantile marine by a system of bounties, subsidies and such other measures as have been adopted in Japan ,
(v) for the construction of the necessary dockyards and engineering workshops in one or more ports

5 Report of the Indian Fiscal Commission (1921-22), pp 75-76

should encourage them through bounties to stand fast in other ways against the competition of foreign ship-owners. If such help were given, the rise in India's trade would simultaneously swell the funds of Government, as Walchand showed in his memorandum by citing the policies followed by the governments of other countries in respect of such activities Afterwards, when the Commission took his evidence on March 22, 1922, while being examined by the Chairman and members, he reinforced his proofs from numerous official sources, and constrained the Commission to devote serious thoughts to these questions As a result of the merchants' complaints, besides Walchand's comprehensive memorandum and the evidence given by him, the Fiscal Commission gave their opinion that, as proposed by Sir Sivaswamy Ayyar, an Indian Mercantile Marine should be brought into being as early as feasible, and that the effect of this upon the transport rates along the coast of India would give an indirect fillip to the rapid development of industry

These topics began to be discussed in the Indian newspapers The sum effect of all these events and activities could not fail to be felt, in some degree or other, by Government as well as by the agents and directors of foreign firms About this time Gandhiji, preaching non-co-operation with the British Power and boycott of foreign firms and goods, had roused the popular mind to extreme indignation against the policy of looting the Indian people through their dependence on outsiders It was thus natural that the efforts of men like Walchand, who stood up to shackle the monopoly of foreigners, should receive enthusiastic support from their compatriots Walchand's shrewd brain saw that the time was ripe for stripping bare the enemy's designs and launching an attack upon them In the face of assault after assault, he yielded not one inch of the battlefield He readied himself to stand and fight

With these events in train, that overlord or King-of-Kings of the P & O and B. I Companies, Lord Inchcape, descended upon India in October 1922, at the invitation of the Government of India

For the last five years, Government had been obliged to frame deficit budgets, the deficits running into crores of rupees It had therefore appointed a Retrenchment Committee[6] of six members—three Indians and three British—to consider and advise it as to where and how retrenchment could be effected and a balanced budget framed to retrieve the situation The Chairmanship had

6 The Committee consisted of Lord Inchcape (Chairman), Sir Dadiba Dalal, Sir R N Mukerji, Sir Purshottamdas Thakurdas, Sir Thomas Catto, and Sir Alexander Murray

been given to Lord Inchcape. A few months previously, a similar committee had been appointed in Britain known as the Geddes Economy Committee, as a member of which His Lordship happened to have turned in a useful performance; hence the respectful invitation from the Government of India. Since he was going to lay hands on an important subject like retrenchment, all the Viceroy's executive councillors were scared of him. Even a fellow like Lord Laurenceson, the Commander-in-Chief, whose authority was next to that of the Viceroy, treated him with deference, being willing even to be kept waiting, if so required, when calling upon him This officer took considerable pains to avoid giving offence to the Great Man; the creature may well have thought (who knows ?) that if he gave any, the deadly axe might descend upon his military expenditure at an unwelcome point, and then—what ?

For the awe in which Lord Inchcape was held, there was also an indirect reason In order that his independence of view, and his independent handling of the committee, might not be fettered by any sense of obligation towards the Government, he had refused to accept any official remuneration for his services, or out-of-pocket expenses of any kind Even his travel expenses had been paid by himself. Before such an impervious and ascetic specimen, was there anything surprising if people should bow down, be it the Viceroy or be it the Commander-in-Chief ?

For the purpose of his Retrenchment Committee, Lord Inchcape made India his headquarters up to March 23. During this time, although his mind was occupied with the complicated work of his committee, he devoted attention and thought, both close and detailed, to the war being waged between the shipping companies under his command and the Scindia Company, to the Indian Councillors' speeches in the Delhi Assembly aimed at the appointment of an Indian Mercantile Marine Committee, and to the acute political situation in India Although the collapse of the steamer rates was drying up its capital, the Scindia Company neither relaxed its policy of clashing with his companies, nor showed any signs of doing so On the contrary, it showed a tendency towards taking greater and greater advantage, for the purposes of its private war, of the anti-British climate engendered by the Non-co-operation Movement in the country. And when he saw all this, his canny Scotch mind began to think of playing a fresh kind of game.

Although his companies had unlimited resources to bear financial losses, a consideration of the increasingly hostile atmosphere

in India made him feel that there was a point beyond which he should not go. Rather than waste money for nothing in a quarrel lasting for an indefinite period, he began to think of dangling the bait of a huge sum, buying up Scindias—if possible—lock stock and barrel, and settling his companies' quarrel once and for all Accordingly he approached the Scindia Company's directors, represented by Sir Lallubhai Samaldas, through the medium of Sir Arthur Froom, who was the Manager of his firm Mackinnon Mackenzie[7]

By now, half of the Scindia's capital had gone to meet the losses, and it was obvious that gradually more and more would go. One or two of the directors felt that instead of letting the Company drag them deeper and deeper into the pit, this opportunity should be seized to their own and the shareholders' financial advantage[8] ; and they set about trying to persuade the other directors and shareholders accordingly. The temptation was a powerful one, and Walchand felt battered and shattered. Lest it should bewitch the Company's chief patron Narottamdas Morarjee, Walchand fortified and reinforced Narottam's mind against it. The question was one of the good name of Indian capitalists, of the nation's honour, of the life or death of a new national industry Should the attempt now fail, to form a Mercantile Marine, never again would anyone in the land have the heart to try again, and the British merchants would resume their looting on an unprecedented scale , these were the terrifying thoughts which plagued the minds of both Narottam Morarjee and Walchand. In their hearts they resolved that, come what might, they would not allow their Company to slip down Lord Inchcape's throat

They decided to call a select meeting of leading shareholders, place before them a clear picture of the future, take them into confidence, show them how their advantage lay in working for the country's rather than for each one's individual advantage, and secure

7 "It was now the turn of Sir Arthur Froom to go to Sir Lallubhai Samaldas He told him, 'Sir Lallubhai, let us meet together Let us come to terms' The result was a conference between the representatives of the Scindia and Lord Inchcape That was at the beginning of 1923"—M A Master's speech Silver Jubilee Celebrations of the Indian National Steamship Owners' Association, January 2, 1959 , *Indian Shipping*, January 1959, p 11

8 Lord Inchcape had suggested "If you could hand over your Company to me, I would buy the same" What was the offer ? Lord Inchcape stated that he was prepared to give in exchange for every share of Scindia, Rs 12½ in cash and Rs 12½ in 6½ per cent cumulative preference shares of the B I free of British Income-Tax The Agents were promised a large sum of money The Directors were told that they would get Rs 1,000 a month at least for a period of ten years These were the tempting terms which were offered to Scindia Company M A Master Speech Silver Jubilee Celebration, INSOA, 1959 , *Indian Shipping*, January 1959 , p 12

their support for their own stand. They therefore held a private meeting of eighty chosen shareholders of note.

On this occasion, Walchand had the invaluable assistance of an energetic, patriotic and intelligent young man. This was Mansukhlal A Master, who unerringly perceived how the minds of Narottam and Walchand worked and what they were aiming at His unstinted devotion to both men was only equalled by his prodigious loyalty, which they in their turn rewarded with confidence, affection and trust beyond reckoning Though he was a B.A., LL B, and desirous of an advocate's career, Fate decreed otherwise, and it was actually Narottam Morarjee who was largely responsible for his entering the world of commerce and industry. At College Master had won a name as a fine cricketer, being highly renowned both for his lusty batsmanship and his crafty bowling He was one of the regular players at the Hindu Gymkhana, and it was here that he made the acquaintance of the cricket-loving Narottam Morarjee (1902) an acquaintance which afterwards ripened. After passing his law examination, he was strongly pressed by Narottam Morarjee not to enter the law but to turn to commerce Narottam himself took Master to one of his business friends, Mohamedbhoy Hajibhoy (1908) and made him take Master into his firm of Hajibhoy Lalljee and Co Master stayed with this firm for six years Then Mahomedbhoy Hajibhoy felt that an ambitious and educated young executive, like Master, ought to be given a place that would offer him proper scope, he therefore advised Narottam Morarjee to take over Master himself Narottam accepted this advice with pleasure At that time he was in need of a graduate-clerk with business experience, such as Master The management of Narottam's mills was being done by Sir Dinshaw Edulji Wacha, under whom Master was made to serve an apprenticeship for a while before being appointed as his understudy. Later, as the Scindia Company was being formed, Master began to attend to its work as its manager. Not confining his interest to the actual management, he absorbed himself in a comprehensive study of the shipping business as well as of maritime transport and trade The benefit of this study of his was reaped by Narottam, Walchand, and their Scindia Company, again and again Master's quick wit, business acumen, and resourcefulness have served to extricate the Company from many an awkward situation. He had a unique talent for building up his case on solid proofs and presenting it in a systematic way. He was an adept at recognizing his opponent's line of attack, relying on that other's own previous

statements, and turning the whole thing back on him How often British officials would frankly confess, "Young man, you've left us with nothing to say; you've got a marvellous gift of the gab!"

When Narottam and Walchand were confronted by the problem of finding a way, by which the directors and shareholders could be extricated from the Inchcape enticements, the task of solving it was voluntarily assumed by Master Respectful, reasonable, armed at the critical moment with a swift power of repartee, Master is able to expound the subjects under analysis by obtaining a smooth acceptance of the essential points, and ramming home the conclusions which must follow; and he employs such speech as reinforces the above He had read Gujarati, Sanskrit and English literature with infinite taste and perception, as well as thirst for knowledge, as a result, his style of writing, whether English or Gujarati, combines weightiness with lightness, and is lucid, shrewd, pointed and effective We observe in him a kind of discipline, both of the thought and of the language in which it is expressed. In Mansukhlal Master's speech, writing and conduct, we see a delightful blending of Narottam's sweet tongue, sympathetic nature, cultured behaviour, and discriminating acuteness of vision with Walchand's meaningful and pointed brevity, briskness, single-mindedness, precision of thought, burning patriotism, tenacity, and love of industry What more natural than that such a gifted personality should win the love and confidence of both Narottam and Walchand?

About the meeting of select, prominent shareholders of the Scindia Company, Master had no doubt that if Narottam were to address them, telling them with what purpose the fellow Inchcape had made his offer, and what deplorable consequences would follow from its acceptance, and how on the other hand, if they rejected it with scorn, setting the nation's good above their own, fighting the selfless fight with a single heart, stubbornly, bravely and energetically, and marched ahead, the situation would slowly change and they would be able to accomplish the deeds that they should accomplish, and both they and their country could move in the world's markets with heads held proudly high, it could not fail to exercise the desired effect upon them, and he prepared a speech accordingly in his own peculiar style. Narottam read it through, and liked it He felt sure that it would undoubtedly produce the desired and expected effect upon his shareholders

On the appointed day, the meeting took place, and Narottam read out the speech in moving tones. At its conclusion, he appealed

to the shareholders' patriotic sentiments in these words: "It lies not in my mouth to tell you that, should you regard these matters from the angle of temporary and personal gain, and sell the Company, it will be a blow to our country's prestige, with a probability of unwelcome repercussions in India's industrial life, and that our first duty is to adopt the national viewpoint and prevent these things You are all thoughtful men. You are all capable of deciding whether the good of the individual, or the good of the nation, is the more important What can I say, in such a context, to men such as yourselves ?"

The effect on the shareholders of this final appeal was beyond expectation "To hell with Inchcape's crafty and treacherous offer !" their cries rang out "He shall not swallow our Company. We are ready to supply whatever funds the Company needs We are prepared for any sacrifice Away, faint hearts ! Excelsior !"

Walchand took heart He now dared to hope that the wind of rejection would blow away the net spread by the enticer Inchcape, and the Company would be snatched from an untimely death. And yet, the aftermath of this meeting was of a sort to make him wonder whether his hopes would not after all be dashed to the ground

One of the directors totally disapproved of Narottam Morarjee's speech to the selected shareholders, when he had called them to the meeting in order to take the sense of their views This gentleman had not attended in person, but next day he met Narottam and conveyed his disapproval Not content with this, he scolded Master, the writer of the speech, with "It was an extremely thoughtless and precipitate thing to do Why did you go to all that trouble, you young fool ?" To which Master sharply retorted, "What has been done, is correct Have we been spilling our blood all these days, and saving the Company, just to slip it into Lord Inchcape's mouth ?" The noble director was furious He began to censure Narottam for his "shortsightedness" and for having been swayed by an "inexperienced and impetuous young man" like Master. This director was a big and influential man in public and commercial circles; by temperament he was cool and calculating. His words put Narottam in a dilemma The director suggested, "Instead of rejecting Inchcape's offer out of hand like this, it would be wise to meet the man first and consider the matter in greater detail, and then decide" Narottam, who was himself undecided, agreed to this

Talks began in Delhi between Lord Inchcape and the Scindia Company's directors, and the way they were tending caused

Walchand nothing but dissatisfaction. Irrespective of the adequacy of the compensation, the thought that it would be obtained at the price of destroying a national industry, was shameful and intolerable to him He utterly disapproved of his colleagues' approach, and was distressed to note that some of the directors were practically ready to accept the Inchcape offer He attended the meeting, but his heart was not in the proceedings. He brooded more and more over how, without offending his colleagues, he could upset Inchcape's crafty game

One day, during the pendency of the talks with Lord Inchcape, Walchand came to Bombay That very day (February 13, 1923) he accidentally met in the street a man on the editorial staff of the *Bombay Chronicle,* who was a friend of his. This fellow naturally asked him, "How are Scindias getting on ?" To which Walchand replied in an agitated and intense voice, "Not so well We're in an awkward situation All the hopes I've cherished up to now, are likely to go up in smoke I shall not be able to hold up my head any more The Nation's interests are going to be murdered "

"Murdered ?" asked his astonished friend. "Why ? How ? What's happened ?" The fire of Walchand's indignation, so long pent up, burst into flaming speech It was as though he had been waiting for this moment The friend took fire from him, and on hearing the tale of the depressing goings-on in Delhi, became indignant in his turn This fellow's heart too throbbed with pride in his country. A few days back, in an article in his own daily, he had congratulated a certain director for getting the shareholders' agreement to turn down Lord Inchcape's offer , and when he now heard that this very same director, yielding to love of gold and looking to his own personal advantage, was negotiating with a hellborn trickster like Lord Inchcape, and proving a traitor to his country, he gave way to an understandable resentment. In the following day's issue of the *Bombay Chronicle* (February 14, 1923) he wrote a pungent leading article entitled 'A New Development'[9] ; "Do not run to Lord Inch-

9 We give here an extract from this leader "However much we may differ from Lord Inchcape in regard to Indian questions, we do not consider him a fool , and when he straightway makes an offer of paying up hard cash of cent per cent, on the Scindia property we may be sure, and Directors of the Scindia Company ought to be sure, His Lordship has more to fear from the continuance of this enterprise Lord Inchcape has enough of Scotch shrewdness to insist upon his conversation in the course of the unauthorised venture that some of the Directors of the Scindia Company had taken as merely tentative , and not a firm offer Luckily the Board of Scindia Company rejected this suicidal suggestion , and we fancied, the matter was dropped But now comes the climax of this serio-comic drama The proposal—if it can be so described—was formally negatived by the Scindia Board An intensive campaign for the promotion of Indian

cape", he wrote in blunt and burning words, "and sell away the Scindia Company. If you do this, we tremble at the mere thought of the judgement the country and posterity would pass on you"

On the very day on which this leading article appeared, the B.I.'s Bombay office, with true British astuteness and caution, telegraphed it in full to Lord Inchcape. When the next sitting was held, on Walchand's return to Delhi, the fellow Inchcape held up a cutting of the *Bombay Chronicle* and asked the assembled directors, "Have you people read this article? Publishing confidential and private business talks like this, and criticising them, and spoiling people's minds—is it right? What name do tactics of this sort deserve? Is this clean and straightforward behaviour? Anyway is there any call for making such a song and dance? This is a perfectly straightforward business deal. Two groups of businessmen are holding talks, where do the public come into the picture?" Narottam Morarjee, Lalji Naranji and Walchand were all three present at the meeting. The first two held their peace, their silence seeming to say, "No indeed, that was a wrong thing to have done"

But Walchand could not sit silent. "I see nothing wrong in it," he exclaimed. "Everything is fair in love and war. You and we are now at war. In war, such tactics are necessary. In particular, when a heartless company like yours, with no thought for the rights and wrongs of it, launches murderous attacks on a newly-born Company like ours, whatever tactics we may fight you with, will be

shipping was formulated instead with a definite programme of educating the public on the one hand, by means of tactics to obtain fiscal assistance or at least to unmask the real intentions of the Indian Government whom the Chairman of the Company had so fearlessly castigated in his presidential speech at the last annual meeting. But just when the Indian shippers, fired by a most laudable and patriotic desire, are rallying round the Scindia concern in Rangoon and Cochin and Calcutta and Karachi, just when the Legislature is taking in hand a mild measure of protection to Indian shipping and Government has appointed a committee of inquiry in the Deferred Rebate scandal, just when some ardent well-wishers of that concern were suggesting building of a passenger carrying fleet as the only proper answer to the insulting suggestion *of inviting the Directors to sell their country's heritage to a foreign exploiter for* veritably a mess of pottage, we hear that the projects of negotiation with Lord Inchcape are still in contemplation. There is now not even the vestige of basis for such negotiations. If started, Lord Inchcape and his kind would only—and rightly—take the Scindia overtures to mean a sign of weakness and exhaustion for which there is absolutely no excuse. The Board cannot, with any decency, sponsor such unpardonable tactics. Mr Narottam Morarjee has been an heir to a noble fortune and a nobler name. The Scindia concern, however he has not inherited, but originated. It is his own contribution to the industrial commercial progress of his country. Let him see to it that he proves himself worthy of his name and fortune, by refusing to betray his own unique enterprise. By his deeds let him be judged, and we tremble at the *mere thought of the judgement the country and posterity would pass on him,* if in this instance he allows the Scindia concern to be sold to one formidable rival in the seas"

considered proper. We have nothing to regret. Since you refer to the question of clean and straightforward tactics, and decent behaviour, I must ask you—Who started the present rate war? Was it not you? As if this war, and your tactics in it, are clean and straightforward! Noble Lord! Your henchmen in the Burma rice trade affairs are trying to drive us out of there, fighting us with all sorts of tricks and harassing us in all sorts of ways. But I tell you to your face that until foreigners like your henchmen, who have come to these lands to loot the people, are driven out, I will not think twice before using not only our present tactics, but still more venomous ones So long as you people do not give up your devilish policy of plundering and oppressing us, I shall continue to keep alight the flame of discontent which will burn you up My aim is to leave no stone unturned to break up your imperialism in the industrial field We can rightfully sail our own ships freely over the seas of our native land, and we will sail them For this we do not want your grace and favour."

At this fierce and unexpected reply from Walchand, the lordling blazed up His haughty spirit could not contain itself Rising in fury, he roared, "Native land? Whose native land? Whose sea? We are all sons of the British Empire We people have as much right as you, to travel along the coast of India. So long as the British Empire lasts, no power on earth can stop us coming here The way you people are now carrying on, is the way pirates carry on We look on the Scindia Company, which has trespassed into our maritime field, as pirates That's what you are—pirates!"

These identical words had been uttered in 1919 by the lordling's assistant and right hand man, William Currie, when Walchand went to call on the fellow in London. On that occasion, since it was their first encounter, and since the atmosphere was new and strange, Walchand had listened in silence This time, he could not do so It was a case of rubbing salt into the old wound to his pride Like the smack of a blow, he flung back at the fellow Inchcape, "Who are the pirates? We—or you? Our home waters—do they belong to you people, coming from beyond the seven seas, or to us who were born and bred in this land? I see! *You* are the owners, and *we* are the thieves, the pirates! Excellent!"

Not a word fell from the lordling's lips The talks ended Through those halls, and in the ears of each man sitting there, two phrases rang. "Who are the pirates? We—or you?"

12.

PEACE IS MADE—BUT CLASHES CONTINUE

NAROTTAM, Walchand and Lalji Naranji all returned to their quarters Narottam did not at all like Walchand's stubborn talk to Lord Inchcape He felt that the compromise talks had received a check, and that an unfortunate and serious situation had been created Walchand, he declared, would now have to be restrained

Narottam called Walchand into his room, and expressed his total disapproval of his behaviour at the meeting "You have no sense of discrimination," he told him, "about how to speak on such occasions The words in which you replied to Lord Inchcape do not come well from a cultured man At compromise sessions like this, you have to control yourself and measure your words No matter how angry you may be feeling in your heart, you must not let it show outside. You must keep decorum, and understand the man, the circumstances, and the occasion And on such occasions you have to be both persuasive and polite From now, don't you say anything at all at the meetings As chairman of the Company, I will do all the talking that has to be done."

At Narottam's words, Walchand laughed, and his laughter was more cutting than anger ; it was the laughter that looks like gentle moon-light, but hits you like the burning sun

"What you say is correct," he admitted "I can't speak silky and sweet speech like you can. I can't put on the mask of that old self-control, nor shall I manage to do it. In all my life I have never acted with one thing in my guts and another on my lips, and I'm not going to start now I say what I think, what suits me, and what I think ought to be said, plainly and without caring for anybody or anything ; that's my nature. I'll never change it, nor do I see why I should My views come from my own experiences, and I think my duty is to keep true to them. Whatever way I behave, in order to do this, is perfectly natural, whether it appeals to others, or not. You

may call me blunt, forthright, boorish, uncultured—anything you like in that way. I'm all of that, and that's how I'm going to stay I'll not be able to talk your courtly, silky talk; still less can I put on that "sweetness" act I shall not find it possible to play the role of a silent spectator at the session, as you want If you feel that I shouldn't take part in the discussion, then I won't attend the session You do what you like, on your own responsibility My bitter opposition to the deal with Inchcape will stand If there is an advantageous compromise which respects the position of both parties, I will accept it; otherwise, not Tomorrow I've made plans to tour Delhi with "Madame" (*Pavani*)[1]. I won't attend your session tomorrow." With these words he left the room.

That Inchcape was angered by Walchand's words, is a fact Nevertheless, when the session was over, his calculating politician's mind calmly took stock of the position "That sort of anger and display of temper", he told himself, "won't do. This Walchand seems to be a stubborn and unusual type And as he says, so he'll do There seems to be some different sort of streak in him One must get to know him thoroughly No use to get him worked up We'll need to understand the working of his mind"

On the departure of Narottam, Lalji Naranji and Walchand from the meeting, Inchcape called Sir Purshottamdas Thakurdas "How well do you know the Scindia directors?" the lordling asked him

"Very well", replied the knight "They are all friends of mine These men are of an intensely nationalistic type, with fiery views They have the power to translate their views into action, and a full share of determination What they say, they will perform"

After a moment's thought, Inchcape asked in pleasant tones: "In the matter of these talks pending between us, could I rely upon your assistance to persuade these people to be a little reasonable?"

Sir Purshottamdas could not resist the suspicious feeling that the lordling must have some trick up his sleeve "I do not think", he answered plainly, "that they will be unreasonable. But I wonder whether you yourself will be reasonable enough to permit them to occupy their legitimate place in the Indian Economy"

Through Walchand and Lalji Naranji, Sir Purshottamdas always kept abreast of the course of their negotiations with Inchcape, and it was in the light of this knowledge that he expressed his mind to the lordling

1 This is the name by which Walchand used to call his wife Kasturbai

Lord Inchcape, with his dictatorial, egoistic and obstinate nature, did not take these words of Sir Purshottamdas very kindly; indeed, he was somewhat upset In a burst of petulance he exclaimed, "I will beat them down if they are stubborn"[2] Yet the fellow quickly collected himself, and began to question Sir Purshottamdas very closely about Walchand, refraining however from a reference to the incident at the meeting. Sir Purshottamdas drew a true picture of Walchand's character and policies, his adventurous disposition, administrative efficiency, individuality and love of action, his status in the industrial field and his relations with popular leaders and top-flight Government officers. After hearing all this, Lord Inchcape appreciated that Walchand was of a somewhat different kidney from other Indian industrialists. Inevitably the thought entered his mind, that henceforth his policy must slightly change its tune in dealing with Walchand Then, without any particular comment, he expressed formal thanks to Sir Purshottamdas, and allowed him to depart

From the way in which Lord Inchcape had summoned him, and questioned him so minutely about Walchand, Sir Purshottamdas began to think that the lordling must be contemplating some deal with Walchand, in the matter of his pending negotiations with the Scindia Company His daily contact with Lord Inchcape for the business of the Economy Commission had given Sir Purshottamdas a knowledge of his lordship's character and he therefore betrayed no impatience to find out what the deal might be. He did however think it would be wise to drop a word in Narottam's ear about his encounter, and so he at once went to see him.

Sir Purshottamdas had no notion of the clash which had occurred between Walchand and Lord Inchcape, but he got it at the conclusion of his talk with Narottam The latter told him how the aggressive role played by Walchand at the session had provoked a delicate situation, and how he felt it best that Walchand should keep out of things for a while at least Whereupon, Sir Purshottamdas gave him his frank opinion:

"It will prove dangerous," he said, "to keep him out of it You have not sized up Lord Inchcape properly He's a deep and crafty one, that old Scot. It is not the case that he means what he says, nor that he says what's in his mind. He has something very different up his sleeve To know what this is, the opponent has to possess the same

2 Frank Moraes *Sir Purshottamdas Thakurdas*, 1957, p 45

scheming brain as he's got. In my view, the only one among you who has it, is Walchand Inchcape is a dyed-in-the-wool imperialist, of the old generation with expansionist attitudes developed in the reign of Queen Victoria, self-centred, egotistic and individualistic. To meet the tactics of a man like that, you need a dyed-in-the-wool nationalist, like Walchand That being so, I think that your idea of keeping Walchand out, and conducting the negotiations independently, is most impolitic I get a strong suspicion that Inchcape is working on designs for splitting the directors in two If your behaviour is going to ignore that, you will be caught[3] Don't you say a word to Inchcape without having Walchand beside you In fact, I go so far as to say, Let no one else except Walchand talk to him This is the only way to give a chance for something good and constructive to come out of these negotiations"

Sir Purshottamdas vehemently opposed the idea of selling the Scindia Company Narottam, who had no independent policy or mind of his own, always acted according to the impress of whoever spoke to him, at any time On this occasion, it was the words of Sir Purshottamdas which influenced him to change his idea of leaving Walchand out

"Very good," Narottam assured Sir Purshottamdas, "I'll persuade Walchand and take him to to-morrow's session"

Next day, Narottam rose at the crack of dawn, went to Walchand's room, and began to knock on the door

"What devil is that?" roared Walchand from within, "knocking on the door at such an hour!"

"It's me, Narottam Open the door"

The door opened, and the astonished Walchand saw Narottam standing there "Why so early?" he asked. "Some special news?"

"I'll tell you At least let me come in and sit down"

"Yes, yes, of course Come in. Sit down I've no work today I'm only going to roam about the town with *Pavani*. So I was more or less loafing in bed. I thought of getting up late But you don't allow me to have that pleasure Never mind," chuckled Walchand

3 In his *Life of Sir Purshottamdas Thakurdas*, Frank Moraes says the following, with reference to this incident
"The negotiations between the Scindia Directors and Inchcape soon got under way and Walchand and Lalji Naranji alternately met Purshottamdas at his residence to give their version of the discussions Purshottamdas soon sensed that while Narottam Morarjee was inclined to fall in with Inchcape's views, Walchand was opposed to them Lalji Naranji, congenitally incapable of making up his mind, appeared anxious to ride both horses simultaneously Lallubhai Samaldas, whom Inchcape courted with characteristic calculation was proving more amenable to his persuasion than the others"

like a mischievous child, "tell me the news."

"The news is nothing so very special. I've just come to tell you to cancel today's programme for roaming about the town"

"Why ?"

"You have to come with me to Inchcape."

"Me ? Why ? Why do you need me ? Whatever has to be said, *you* are going to say, as Chairman of the Company. So what will *I* do, by coming there?"

"I know I spoke that way yesterday But afterwards I thought to myself that it will be good for *you* to do the talking. I won't say anything. *You* talk"

"*I* talk ? But how do I know the way to talk to a big man like Inchcape ? I'm a rough chap What do I know of courtly manners and polished speech ? As for the art of coaxing, I admit, I entirely lack it ! My bluntness may harm the cause No, certainly not ; I'm not coming. Besides, I've promised *Pavani* to take her to see Delhi She's got tired of just sitting and sitting here all alone."

"When the Inchcape talks are over, take her to see Delhi to your heart's content But not today Today you must come with me", said Narottam, with a faint smile

"But what's the good of my coming ? For my part, I'm dead against Inchcape's offer"

"I'm against it too," declared Narottam "I'm not for selling the Company"

"What ! Not for selling ? But what about Lallubhai ?"

"I'll win him over"

Walchand was amazed at this change of front by Narottam "In one night," he asked himself, "how could this happen ? It's a regular miracle !" But he refrained from taunting Narottam about it He did not feel it right to taunt him at that time ; his pride might perhaps have been wounded

"*Pavani* !" Walchand called to Kasturbai, "Today's programme— off ! Narottambhai is refusing me leave."

Kasturbai had been particularly happy at the prospect of a leisurely tour of Delhi with Walchand. On hearing of his change of plan, she was naturally put out.

"Why ?" she enquired. "What's happened so ?" To which she received the reply, "Today I have to go with Narottambhai to Inchcape"

When she found that her husband's plan of the previous day was unexpectedly changed, although she was somewhat displeased inside,

she did not permit this to show in her face She kept quiet. Being thoroughly acquainted with Walchand's nature, she did not make the mistake of asking further questions Walchand did not like women to pry into masculine occupations and activities. His attitude was, Let men look to men's affairs, and women to women's, with neither poking their noses into each other's affairs. Kasturbhai understood this, and always behaved accordingly

Another session was held at Inchcape's residence. Walchand began by plainly telling the fellow, "No matter how bad the situation in which we find ourselves, we have no intention of selling the Company and leaving a clear field for you. The Scindia Company is not for sale ; on the contrary, we are prepared to buy your B I Tell us your price[4] You want to end the dispute, don't you ? So sell us the B I Then the quarrels between us will be settled for ever "

Lord Inchcape froze at these bold words from Walchand He said, with a strange, bitter smile, "Have we cherished the B I and raised it to such heights, in order to sell it ? You are biting off much more than a small mouth can chew, Mr Walchand This question of yours is impertinent."

Walchand gave him tit for tat "In that case, my Lord, have we tenderly cherished the Scindia Company, and are we watering it with our blood, in order to sell it ? When you talk of buying the Scindia Company, don't you think you are being quite obviously impertinent to us ?" The lordling had nothing to say

Again Walchand took up the conversation "If you have any constructive suggestion for a compromise, let us have it"

Narottam and Lalji Naranji were silent, their faces suggesting that they must both be one with Walchand Inchcape's sharp eyes quickly saw that they were different men from yesterday Appreciating the position, he too changed his stance.

4 This incident was mentioned on the occasion of a party given by Pranlal Devkaran Nanjee to congratulate Walchand, at Bombay's Willingdon Club on January 11, 1940 Referring to it, Walchand said "Some kind but inquisitive friends often ask me 'Walchand, is it true that you had the audacity of asking Lord Inchcape to sell the B I to you and is it a fact that when you made such an offer you had hardly sixpence in your pocket ?' I tell those friends that I do not remember whether I had even a farthing in my pocket at that time But I warn them as I warn others that I am in dead earnest when I say that I had and have with me the birthright of my country, the justice of my cause, the equity of my claim and the irresistible force of the growing nationalism of a country impatient and anxious to obtain its freedom It is this unshakeable faith both in my cause and in my country that make me talk and act in a manner which the 'live and let-live wallahs' fail to appreciate, much less to imitate What I asked Lord Inchcape in the past, I have asked and I shall continue to ask his successors to give and I hope they who call me their brother in the Empire when it suits them will be well advised to concede India its claims and make India's Walchands their real brethren, whether inside the empire or outside the empire "

"If my offer" he said, "is unacceptable to you, let us leave it at that. The present tight situation for both sides benefits neither; on this I take it we are agreed. We must, then, choose some alternative way, so as to change it. At present we are waging a suicidal war against each other in the matter of freight rates, which we must at all costs put a stop to; otherwise, it will ruin us both. My own view is that, if we can arrive at some mutual agreements about it today, let us try for that. What is your view?"

After seeing the change in Narottam and the others, the lordling was singing a different tune. Walchand noticed this, and promptly replied, "Yes, yes, by all means. Say what you want to say from that point of view We will give it our consideration."

"From now," Lord Inchcape suggested, "let us settle the rates by mutual consultation and bring them into force; let us act so as not to get in each other's way."

To this proposal neither Walchand nor his colleagues had the least objection "Approved in principle", announced Walchand; "Now come to details"

The lordling delivered himself in the following strain "The entire maritime field belongs to us; and it is we alone who have erected in it a great shipping industry It will be well, therefore, for people to remember that this is our private field Whatever facilities we give, will not be yielded as of right but granted as a favour"

Such a strain did not appeal to Walchand in the least. Apart from that, he did not accept the proposal that both sides should permanently get together from time to time and fix the rates. His say was that the rates should be fixed by mutual consultation only for a specific limited period, after which they should not be binding More important still, he did not like Inchcape's conditions regarding the scale on which the Scindia steamers should carry cargoes, the tonnage up to which its fleet should be increased, the ports with which it should trade and the areas which its steamers should enter; in fact, he considered these conditions in a way impertinent "Who is he" thought Walchand, as he listened to Inchcape's arrogant words, "to tell us how many tons of cargo we should carry in our own seas? When a man presumes to claim that the seas of India practically belong to him, why should we listen to him? We should tell the fellow straight to his face that India's seas are not his ancestral fief; it is our ancestors who handed them down to us." All the same, on this occasion he was behaving with the greatest restraint.

"We are far from pleased" he plainly stated after hearing Inchcape to the end, "with your way of condescending to us. We take it as a kind of sheer impertinence But even overlooking this point, on purely business considerations, we cannot accept this restraint on tonnage We shall not be able to agree to it. What is more important however, first and foremost our inherent right must be conceded, to take part in the sea transport business. There must be no more talk of our being 'Pirates who have broken into your territory'."

Walchand now made several proposals of his own, which the lordling was not prepared to accept. Signs of a breakdown of the talks began to appear. As the party rose for lunch, none thought that there would be any further sittings.

Lunch over, Inchcape said, as he bade them all good afternoon, "I earnestly request that all of you will come to tea with me this evening You will come, won't you ?" Of course all accepted his invitation Narottam, Lalji Naranji and Walchand had become somewhat discouraged at the failure of the sessions to end in any definite decision, but they thought it would be wrong, from the point of view of good manners, to reject the invitation to tea.

In response to the invitation, the party assembled for tea in the evening at Inchcape's hotel Narottam, Lalji Naranji and Walchand were under the impression that after some brief formal conversation they would say good-bye to each other They never anticipated that some business matters would arise However, after tea had been served, when the function was half way through, Inchcape carefully drew from his pocket a type-written stamp-paper, placed it before his guests, and requested them to read it through. It was an agreement, and it took their breath away Everything which Walchand had suggested at the morning's session, about coming to an understanding between Inchcape's companies and the Scindia Company, had been included.

One point Walchand's companions may or may not have noticed, but he noticed it—the date on the stamp-paper. It was that of the previous day, and it could only mean that Inchcape had made up his mind to keep the talks going, adopt a give-and-take attitude, obtain a consensus on the important points, and extricate himself with an agreement. His talks of the day before, or of that morning, had had no other object than once more to feel out the solidity of his opponents' views As soon as he was sure that he had stretched them to the breaking point, he had decided that "half a loaf is better

than no bread"; in the interval he had added what suited him to Walchand's proposals, drawn up a draft agreement which his opponents could accept and which would not appreciably embarrass himself, and astonished them by presenting it at the tea party

The way in which Inchcape's normal rigidity had suddenly turned into an attitude of accommodation, filled the directors with surprise Some source—most probably the highest circles of Government—must have given him some sound advice, to the effect that he should not ignore India's present atmosphere of increasing hostility to Britain, and should follow a policy of compromise. Indians were newly awakening to the realisation that, while they must themselves look after their right to partake of the sea transport business, and protect their own interests in this connection, yet at the same time they must put frequent pressure on Government, and compel it to protect them and give them all necessary help. This much had been openly proclaimed by the resolutions on this subject, introduced in the Supreme Legislature by such men as Sir Shivaswamy Ayyar, Sir Lallubhai Samaldas, or T. V. Sheshgiri Ayyar.[5] In the light of all this, even Inchcape must have thought it prudent to modify his policy to some extent. Whatever be the explanation, the fact remains that talk of buying the Scindia Company came to be replaced by talk of mutual adjustment.

No ground was now left for once again making a row about the terms incorporated in Inchcape's agreement As soon as tea was over, both parties affixed their signatures thereto in token of acceptance And on this day, March 14, 1923, an armistice brought this long-fought engagement to an end, at least for a time

The agreement between Lord Inchcape and the Scindia Company was for a period of ten years (March 14, 1923 to May 31, 1932). By it Scindias acquired part membership of the Indian Coastal Conference, with a recognition of their right to carry cargoes along the coasts of India, Ceylon and Burma There was, however, a condition that they could carry only goods, and not passengers At that time, Scindias owned seven steamers totalling 29,126 tons. There was a leading clause in the agreement that "the above should not be increased till 1924; that thereafter seven steamers should be purchased, each of five thousand tons, spaced out at the rate of two in 1924, two in 1925, two in 1926, and one in 1927; and that the

5 These had introduced a resolution in the Supreme Legislature at Delhi, in March 1923, to the effect that Government should take steps to control the Deferred Rebate system, as well as the rate terms

gross tonnage should not exceed a total of 75,000 tons" Another important condition was that Scindias should not charge less than the B. I. company's freight rates In addition, the agreement contained many clauses providing for mutual co-operation and the elimination of competition.

To say that all the clauses were advantageous from the standpoint of the Scindia Company's growth and well-being, would be impossible; they were more beneficial to the B I. than to Scindias. On principle Walchand could not accept them; he used to refer to the agreement as a "slavery bond" But since the time called for a policy conformable to the existing situation, and for the exercise of farsightedness, he accepted the agreement for the time being, in spite of his own feelings about it. The requirement that "Scindia Company should carry only goods, not passengers" was wholly obnoxious to him; yet a recognition of the circumstances obliged him to accept it He had formulated a number of plans for passenger traffic, all of which he had to shelve, for the time at least For another ten years there would be no opportunity to put them into effect—a situation which chafed him sorely, but for which there was no remedy. "We must have a little patience," he reflected, "and when the hour strikes, we shall be able to resume our efforts; at least we have saved the Company when it was about to go down Inchcape's throat" He then absorbed himself in plans to take advantage of the somewhat improved atmosphere, and roll the Company's wagon on its way.

After selling two old ships of slower speed and lesser tonnage, Walchand bought for the Scindia Company two new ships, the *S S. Jalarashmi* and the *S S. Jalajyoti*, and also hired four others With these he commenced voyages to the ports of Karachi, Kathiawar, Malabar and Colombo He opened offices at Akyab and Moulmein in Burma, and set up agencies at the important ports of Pondicherry, Karaikal, Jaffna and Chittagong

In the month previous to the armistice between Lord Inchcape and the Scindia Company, on February 3, 1923, in furtherance of the resolutions which Sir Shivaswamy Ayyar and Sir Lallubhai Samaldas had got passed in 1922 in the Legislative Assembly and the Council of State, on the subjects of India's commercial ship-transport and ship-building respectively, the Governor-General in Council had appointed the "Indian Mercantile Marine" or "Indian Commercial Navigation" Committee. On this Committee Sir Lallubhai Samaldas had been appointed to represent the case of the Indian Merchants,

while Sir Arthur Froom had been appointed to protect the interests of their British counter-parts. Also appointed to the Committee were Captain Headlam, Director of the Royal Indian Marine, as interested in navigation; Diwan Bahadur Tiruvenkat Rangachariar, as a champion of the Indian people; Sir John Byles, as an expert in ship-building; and Sir Jadunath Roy, on behalf of the Bengali merchants The Committee printed 3000 copies of a questionnaire with ninety-three questions, and sent them to public bodies, leaders, and prominent persons in various industrial fields.

When it held its first sitting in Bombay on November 19, 1923, it was found that replies to the questionnaire had been received from 128 persons During its sittings at Bombay, Karachi, Madras, Calcutta and Rangoon, it recorded the testimony of 72 persons. It began its enquiries from the month of November. Walchand on his part commenced strenuous efforts to see that the Committee should duly receive both written and oral expressions of opinion, not only from those connected with steamers and maritime transport, but also from different industrialists, thinkers and writers on public questions, economists, politicians, journalists, and so on. On behalf of the Scindia Company he himself, in addition to the Committee's questionnaire, wrote a lengthy memorandum and sent it on April 3, 1923 And at the Committee's repeated Bombay sitting, on November 30, 1923, he also gave oral testimony. He further made the managers of the Scindia Company's Calcutta and Rangoon offices, Erulkar and Sarabhai Haji respectively, send in their own memoranda and give evidence, when the Committee sat at those places These efforts of his began to bear good fruit With the exception of individuals like that anti-Indian employee of Inchcape's Mackinnon Mackenzie, Sir Arthur Froom, or a few rabidly imperialist Englishmen, a practically uniform voice began to emerge from all the memoranda and depositions. On the whole, the universal verdict was as follows:

For the purpose of commercial transport along the coast of India, as well as to lands beyond the sea, a strong, efficient and self-contained mercantile marine must be established in this country at the earliest possible moment It must be established with a view to its one day forming the basis of a national navy. In order to accomplish this design, the carrying of both cargoes and passengers along the Indian coast must be reserved for Indian steamship companies owned by Indian citizens, under Indian control, and staffed by Indian seamen Any practice found detrimental to Indian steamship companies,

such as that of Deferred Rebate, must be declared illegal. To create a generation possessing up-to-date knowledge of navigation and its administration, high grade nautical colleges must be established in various places, equipped with modern apparatus. There should be an obligation upon all steamship companies, Indian and foreign, operating on the coast of India, to give first preference in recruitment to the trained young men turned out by the aforesaid colleges. Pending the establishment of these colleges, and the emergence of their new nautical trainees in ample numbers, ships moving along the Indian coast, or trading and doing business with countries beyond Indian waters, should be obliged to accept Indian apprentices for training, and arrangements should be made to make these proficient in the science of navigation. Most important and urgent of all, is the revival of India's once great ship-building industry, which had perished under the machinations and the inroads of foreign ship-owners The business of making the Indian Marine self-contained and self-sufficient should be taken in hand immediately, keeping the Japanese example in mind , to this end, Indian industrialists should be helped, induced and encouraged to enter this new industry by means of bounties, long-term loans at low interest, and the provision of experienced engineers and technicians. From some quarters came the further suggestion that, as a steady form of help and encouragement to the Indian Marine, Government should employ Indian ships to carry its mails and its requirements of stores, as well as its military personnel.

The Report of the Indian Mercantile Marine Committee was presented to Government on March 5, 1924, and published in July. Apart from a dissenting minute by Sir Arthur Froom, all the recommendations were unanimous, broadly following the recommendations of those who had replied, orally and in writing, to the questionnaire Trade along India's coast should be reserved for Indian shipping companies, and Government should arrange for a separate Training Ship to give nautical training to young Indians. There should be a strict requirement that the seamen, officers and engineers trained on this Ship must be recruited for their ships by steamer companies trading on the Indian coast Along with these recommendations, a scheme was suggested for Indianizing the Indian coastal marine within a period of twenty-five years. One more recommendation was that, after reviving the ship-building industry, Government should encourage any Indian citizens entering it by bearing the initial setting-up charges, and thereafter by awarding bounties to

make good the actual losses.

On the conclusion of the Indian Mercantile Marine Committee's labours, and a few days before its report was published, N. C. Kelkar ventured a forecast, based on his previous observations, in the *Kesari* newspaper of March 11, 1924. "Common experience" he wrote, "leads us to anticipate that this report in turn will show Indians and Europeans at cross purposes Because Europeans really do assert that, in the matter of navigation, the current schemes are sufficient for the people of India, and do not call for any particular amendment. The Indian members are likely to take the diametrically opposite stand The Indian committee members will compose a separate report, in which they will say that, thanks to the opposition of the powerful European companies so strongly entrenched in trade today, unless Government comes to the rescue in various ways, there will be no change from the present deplorable condition of India's commercial navigation." He continued with the solemn warning, "Finally we are afraid that, after accepting the European members' report, Government will pigeon-hole this matter, as it has already done in the past with many other matters pertaining to the welfare of the Indian people This is why it behoves the representatives chosen by the people to be on their guard from the start."

If we except the hostile minute of Sir Arthur Froom, Kelkar's expectations of an adverse report were not fulfilled, for the most part, the report vindicated the Indian stand When, however, a long interval elapsed after the report's publication, during which there appeared no sign of any steps by Government to carry out any of its recommendations, his expressed fear began to seem justified

About this time, the Swaraj Party advocating Council-entry was formed as a wing of the Indian National Congress under the leadership of C R Das and Motilal Nehru and it won forty-five seats in the Central Legislative Assembly forming an organized and disciplined group This group was joined by the Nationalist Party which was not less patriotic than the former This had increased the voting strength of the Swaraj Party in the Central Legislative Assembly The Swaraj Party, in the policy published by it, had assured the people that its members would bring before the Assembly such Acts and Bills as would destroy the power of the bureaucracy and promote the national life, and that they confirmed their economic policy on the principles of putting a stop to all activities which were responsible for oppression, and of

preventing the national wealth from leaving the country.

In view of this assurance, Walchand and his co-workers constantly kept the members of the Swaraj Party on their toes over the recommendations in the Report of the Indian Mercantile Marine Committee; and Walchand set to work to prevail upon Government, through them, to get those recommendations translated into effect. In order to explain the shipping industry, and its national importance, to educated persons engaged in public works, to the political leaders, and to members of legislatures, and in order to prepare beforehand for the bitter struggle which would have to be waged in the future in this matter, under a political complexion, with the British power, he got his assistant Sarabhai Haji, who had made a close study of this subject, to prepare some large and small pamphlets about it,[6] and he himself got them distributed

Walchand laid the chief emphasis on the recommendation which said that transport along the Indian coast should be reserved by law for Indian ships. With this in view, he got a Bill[7] drafted by a learned lawyer and retired High Court Judge of Madras, and tried to have it brought before the Supreme Legislature by K C Niyogi However, the necessary number of votes for getting it taken into consideration, and for its subsequent progress, were not forthcoming, and so it could not come before the legislature as early as was desired. Moreover, doubts had begun to be expressed as to the legislature's competence to enact legislation of this sort A suggestion emanated from official circles to the effect that such a Bill might possibly contravene Section 736(b) of the Imperial Merchant Shipping Act, and would thus be held *ultra vires* Indian legal experts were of the opinion that the Supreme Legislature *was* competent to enact such a law Rather than lose his way in this conflict of opinions, Walchand thought of going to London, where Britain's laws

6 The books and pamphlets published by Sarabhai Haji between 1922 and 1925 on these subjects are

1 State Aid to National Shipping
2 Evidence submitted to the Indian Fiscal Commission by the Scindia Steam Navigation Company Ltd
3 The Deferred Rebate System
4 Indian Mercantile Marine
5 The written statement submitted to the Indian Mercantile Marine Committee by Scindia Steam Navigation Company Limited
6 The written statement submitted to the Indian Mercantile Marine Committee by S N Haji
7 Economics of Shipping

The sets of the above books and pamphlets were sent to important libraries in Britain, as also to libraries of the Baltic Exchange and similar shipping organizations

7 The Coastal Traffic Reservation Bill

are enacted, and getting an official ruling on the point

In the third week of June nineteen hundred and twenty-five, he had occasion to visit England for the Scindia Company's business, and he stayed there till the first week of August During the interval, he took measures to obtain legal opinions from British experts upon the Coastal Traffic Reservation Bill, and to secure any guidance from them that might be forthcoming He engaged the services of a Mrs Harrison as his secretary and assistant. This lady was a B Sc in Economics, and had worked for many years in Tata's London office She knew by sight many Members of Parliament and persons in the business world She was well up in the cross currents of British politics, having served at one time in Government offices. Walchand had an inborn gift for correctly gauging which man would be suitable for which work, and for making use of him at the right time and in the right way. An unerring judge of men, he got hold of the proper assistants, and was able to bring whatever he undertook to a successful conclusion

As soon as Mrs Harrison took charge, Walchand's first step was to call on Sir William Bull (in Walchand's letters we find him humorously referred to as "Mr Nandi") who was a practising Solicitor and a Member of Parliament Such men as Lord Birkenhead and Lord Reading were this fellow's fast friends Birkenhead for one was always getting questions for legal opinion through the man Bull On July 14, 1925, Walchand accompanied by Mrs Harrison, went to call on Sir William at his firm of Bull and Bull. Since this firm were Solicitors to Tatas, they purposely took with them a very influential gentleman named Muzumdar, who worked in Tata's London office, for introducing them to Sir William. They gave the man Bull details of the obstacles in the path of the Indian shipping industry and its development; after which they asked him how far the doubts expressed about the Coastal Traffic Reservation Bill were justified, and whether the Indian Legislative Assembly had or had not the power to sanction such a measure. Thereupon Bull put the following question to Walchand:

"Is this Bill a part of the political movement which is now going on in India? Has it directly or indirectly any connection with Chittaranjan Das' party?"

"Nothing of the sort!" replied Walchand. "It has no connection at all with the current political movements in India. It is framed with a purely commercial object, and has nothing whatsoever to do with the politics of Das' party."

"In that case, so much the better. Let me have a copy of the Bill, the Merchant Shipping Act and all the relevant papers. Also a detailed written statement of your standpoint I will then prepare a case to lay before Counsel. I will also see Lord Birkenhead and Lord Reading, both of whom are my great personal friends, and talk matters over with them. I would like to consider for a few days who would be the foremost authority among Counsel in a matter of this kind, probably Sir John Simon or Mr. Leslie Scott I think the latter would be the better man, but after studying all the papers and consulting my partners, I can judge better and then will let you know"

At this point Muzumdar enquired, "Will you be in a position to indicate to us whether, in order to strengthen the hands of the parties who will introduce this Bill, it would be possible to take some action here of a political colour, and if so, how we should take it?"

"For the present at least," replied Bull, "I would prefer to keep the legal and political aspects entirely separate"

After this Walchand gave him the necessary instructions Leaving Bull's opinion (whatever it might be) to come in its own good time, Walchand thought that before deciding on his future strategy, he should put his ear to the ground to see whether the news of the Bill had produced any reaction upon the India Office or Lord Inchcape There were some matters pertaining to the Scindia Company which also required him to speed them on their way. Despite the truce between Lord Inchcape and Scindias, since their relations were permanently poisoned, and since many of the terms were less explicit than they should have been, a constant bickering was going on. Although the rate war seemed, on the outside, to be safely bottled up, nevertheless the post-truce rates fixed by the B. I, while not likely to cause much embarrassment to an affluent concern like their own, were not calculated to favour the creation of a situation in which a newly-fledged company, like Scindias, could recoup its past losses and reap satisfactory profits for the future. Secondly, thanks to the restriction on the number of ships, the ports to be traded with, and the system, there was no possibility of increasing the scope of freight carriage. Moreover, the B I were in league with the railway companies, and so in the matter of transporting disembarked goods to the interior of India, the B I enjoyed concessions as regards priorities, rates, wharfage and porterage, etc., which were denied to the Scindia Company.

Government was not ready to take the care which it really ought to take, to prevent such favouritism.

On going to England, Walchand decided that he should speak plainly to Inchcape about the situation, and sharply direct the fellow to make the *entente* effective instead of letting it merely exist on paper Accordingly, on July 9, 1925 he called on the man in his Leadenhall Street office. He entered the room in a state of complete uncertainty as to how Inchcape would receive him.

Inchcape welcomed him courteously. Although he had received previous intimation about the purpose of the visit, he began to talk about the weather. This topic would have been pursued for a while, and Walchand would even have been dismissed without a word said on business[8] But Walchand was alert, and could not be carried away by the flow of the fellow's sweet formalities After five minutes, he diverted the flow by asking, "You must have received Narottam Morarjee's letter ; what have you thought about it ?"

"I have already spoken to Sir William Currie[9] about scrupulously observing the agreement See this Note which I have made regarding your complaint on the Akyab docks."

Walchand read through the note and said, "This is just the same as Brown and Fife told our Manager at Calcutta, Mr Master This is full of inaccurate statements."

Inchcape noted down the inaccuracies pointed out by Walchand "I am writing to Sir William Currie about this," he said

"You have done that two or three times," commented Walchand, "but the same situation remains, with no change whatever "

"Now see here ! Beyond writing that the terms of the agreement have to be lawfully and duly observed, there is nothing I can do. We have never attacked anybody's trade Whereas on the other hand, your Scindia Company has attacked us—mounted offensives against us When anyone mounts such offensives, attacks our trade, we are not going to lie down under it We shall mount sharp counter-offensives I wish you to earn money and live happily ; and I am always telling my people to behave accordingly But now look at this ! You people have brought that Coastal Traffic Reservation Bill in your Legislative Assembly What is the object at the bottom of

8 In his letter to the Scindia Company dated 16-7-1925, Walchand writes "He received me well and was cordial and would have talked throughout about 'the weather' and 'how do you do' had I not pulled him up before the end of the first five minutes and opened the business side by side by referring to Seth Narottam's letter "

9 Chief Manager of Inchcape's companies

that? To drive us away from the coast of India—isn't it?"

"Not at all, not at all!" interrupted Walchand. "You have misunderstood. Our object isn't in the least what you think. If the Bill becomes law, according to what the legislature decided to give, you will get a 25% share; alternatively, 51% to us and 49% to you, or 60% to us and 40% to you; we can easily come to a compromise. Only, you will not get the 100% trade which you're getting today. And there will be no question of making this division right away at a moment's notice It will be spread over five to ten years, step by step, gradually During this time the present B. I. steamers will become obsolete, and by then you will think that running them is ceasing to be a commercial proposition."

But Inchcape did not appear to be pacified by Walchand's statement. He kept up the old refrain. "You want to knock the B I right out"

Walchand noted this, and with the object of discovering, if possible, whether or no Inchcape had initiated any moves to create opposition to the Bill, he asked, "In that case, you must have written to the Board of the Trade to resist this Bill?"

"I have written nothing of the sort, nor have I made any move in that direction. But I am positive that this Bill will not pass"

"Why will it not pass? In fact, the Indian Mercantile Marine Committee, appointed by the Government of India, had already recommended to this effect, and this Bill has been drafted on the strength of that Well, the Chairman of the Committee was the Director of the Royal Indian Marine, Captain Headlam, and a man like Sir John Byles, Consulting Naval Architect to the India Office, was a member Always excepting your Sir Arthur Froom, everyone supported this recommendation In these circumstances, how will Government oppose the Bill? And how will it fail to pass?"

"I can't tell you how and why; but definitely the Bill will not pass," was the lordling's emphatic reply.

"That's all right. What will be, will be. For the moment, let us think about our mutual agreement I feel again and again that this agreement between us is one-sided Well, even so, your people are not properly observing it When we complain to you about this, you assure us it will stop, and you write letters to them to that effect; but as for any concrete result, we don't find any at all. I now begin to regret having signed that agreement If in future, we get no proper share in the transport trade, I shall be obliged to start fighting again. Until this question is finally decided, I shall

certainly go on and on fighting you. Today, India's trade is on the increase, and at such a time we want to add to the number of our steamers. Allow us at least to add ten more to our fourteen steamers, and make them twenty-four. And give us liberty to get more ships, either new or at least hired, in advance without waiting for the agreement's two years, immediately. One of our directors, Seth Lalji Naranji, discussed this point with Sir William Currie at Calcutta, and our Head Office followed up with a letter to him about it, but he never even sent a reply. In these circumstances, we shall have to break the hold you have put on us in this agreement. So you just think carefully about this matter."

Scarcely had these words passed Walchand's lips, when Inchcape exclaimed in a sternly accusing tone, "What it means is this—you want to smash the B I 's trade and grab it for yourselves! This can never be tolerated "

"Attach any meaning you like," Walchand's reply shot back, "but we have to find out our own way to survive ; there's no alternative."

This conversation occupied forty-five minutes, and was without any significant result "If you want to hire some ships just now, hire a few," conceded the noble lord with a show of magnanimity ; but that was as far as he would go Walchand deduced that the bickerings and harassments would go on, and that to keep Inchcape and his fellow-travellers on the straight path, he would have to raise a hue and cry all over India, and work out fresh designs for putting fear into them And to this end his brain began to hatch new plans.

13.

NOW FAST THE WHEELS BEGAN TO TURN

WHILE Walchand's battle of wits for Indian Coastal Traffic Reservation was being fought in London, moves were afoot to develop the Scindia Company's maritime transport business and make it efficient With the quarrel over rates temporarily in abeyance, and with a gradual increase of support forthcoming from Indian merchants, except for the ports of Rangoon, Moulmein, Calcutta, Bombay and Karachi, the carriage of goods from Burma and Chittagong began to be done in the Company's steamers

The financial position of the Scindia Company was looking up. Its net profits for 1925 exceeded ten lakhs If, instead of having to hire steamers, it could have carried cargoes in its own ships, there was a possibility of being able to earn a still higher profit In the light of this, the Company's Board of Directors were considering the purchase of new steamers, as well as the chances of being able to start carrying goods between the United Kingdom and India. It was principally this object which had brought Walchand to London Of the old ships, two had been sold, and their loss was to be made good by the purchase of new ships In addition, the cost of one extra ship was to be incurred. Discussions were in train between Walchand and his colleagues and agents for buying and selling ships, on the question whether ready-built ships should be obtained, or new ones should be built for them

Britain was at that time passing through a wide-spread industrial depression, and consequently the demand for ships was somewhat slack and their prices had fallen With an insufficiency of work, unemployment was on the increase, and labour rates were going steadily down After reviewing and deeply pondering all these circumstances, Walchand rejected ready-built ships in favour of new ships built to his own design, which could be fitted out with whatever conveniences he felt necessary, and he finalised arrangements to this end

Slowly the shipping business increased in volume, and was likely to increase more and more If the carriage of goods between the U.K. and India kept up, it was likely to touch a new high level From this arose the need to arrange for a representative in London who would look after this business of Walchand's and not be worsted by competitors. He wanted a representative who would scrupulously care for the Company's welfare, without being cowed down by Inchcape's threats and plots, who if the occasion arose would not hesitate even to cross swords with Government. He had no mind to repeat his previous experience with Messrs. Gellatly & Hankey, in the matter of the *S S Loyalty* It occurred to him that it would be more advantageous to appoint, if possible, an Indian rather than a foreigner as his representative. If an Indian firm like Tatas, having its permanent office in London, could take on the job, he used to say, it would be excellent.[1] He actually began to discuss this with Tatas, and at first with some hopes of success, but later for some unknown reason it came to nothing.

Eventually, after considerable searching and debating, he temporarily appointed the firm of Devitt & Moore as Scindias' London representatives This was not a particularly large firm, but it commanded good influence in the world of affairs In particular, one of its directors, Verne, was a fellow of an imperturbable, reasonable and impartial disposition, which had earned him the warm regard of London's mercantile community Walchand was looking for a representative who, in addition to possessing the above qualities, would have the courage to rub shoulders with Inchcape How far the man Verne was likely to have such courage, Walchand was not sure One day, July 20, 1925, Walchand called on his old friend Kennedy Although Walchand no longer had any business connection with the fellow's Gellatly & Hankey, yet he had maintained his personal friendship with him Whenever Walchand stayed in London, he would visit the man from time to time, and in case of need would obtain the fellow's advice The two were on terms of easy familiarity When he met the man Kennedy on the present occasion, he confided his mental reservations regarding the firm of

1 "As I view things, our fight against vested interests and against the Government is going to be keener and more difficult, I do not think Devitt and Moore or a similar non-Indian firm are either capable of doing justice to it (Scindia) nor would it be fair for us to expect them to do it We will not feel at ease with any such firm Tatas for this sort of work with a shipping expert would have been from every point of view, ideal Indianization would begin at home"

—Walchand's letter to the Scindia Steam Navigation Co, July 22 1925

Devitt and Moore. Kennedy said, "The choice of representatives which you have made is a really good one, and I congratulate you upon it. They are a first rate firm of the highest standing."

"I thank you," replied Walchand. "The proof of the pudding will be in the eating. The firm is a small one, and who knows how much influence it has ? I feel some doubt about how far it can stand up to the machinations of people like Inchcape."

"Don't allow yourself any such doubts Because a firm is large. it doesn't follow that it has large influence too On the contrary, very big organizations are generally interlaced somewhere, for instance Lord Inchcape could probably find a vulnerable spot in the Furness Withy Organization, whom you were keen to give the job of representing Scindias, whereas he can do nothing to hurt Devitt and Moore Looking at it this way, it is more advantageous for you to have a small firm like Devitt and Moore for your representatives The city of London cares more for character and integrity than for size Verne can go into any office in London and get a sincere welcome, and what he says is sincerely listened to. Devitt and Moore may be a small firm, but they are old and respectable and highly regarded. There is no doubt that your interests will be absolutely safe in their hands"

At these encouraging words of Kennedy's, Walchand felt better The clouds of suspicion were blown away Relief pervaded every corner of his mind, and he rejoiced to think that his choice had not been misplaced

At the back of Walchand's and the Scindia Directors' current plans for carrying freight between the U K and India, was the object chiefly of putting indirect pressure on the B I and forcing them to come to terms with Scindias, rather than of entering some new field Even though this might at first involve some little loss, they were prepared to put up with it[2] The cargo which he had principally in mind was coal The number of British colliers was limited India imported coal not only from the U K. but also from Africa, mostly from Durban As a result, the coal-carrying trade aroused very little competition ; anyone attempting it could be sure

2 "Discussing this U K business further we (two Vernes, Sandman and myself) came to the conclusion that the loss should be normally nominal and desired impression soon made or object gained, the reason being, all U K liners would know (at least we should make it well-known) that this move of ours is solely to influence B I and nothing else and therefore they will press upon B I either to make peace immediately or compensate them all if B I wants to oppose Scindia"

—Letter written to the Scindia Company on July 22, 1925

of suffering loss. The transport business, it seems, was then in the hands of two firms, Grahams and Turners Walchand writes: "Neither Grahams nor Turners have either the resources or the inclination to launch into any losses. This seems to me to be a good, convenient and effective weapon against B. I."[3]

After making suitable arrangements as above for the Scindia Company's London work, he resolutely pursued the question of "Indian Coastal Traffic Reservation". Those confident words of Inchcape's—"I am positive that the Bill about this will not pass"—created a natural suspicion in Walchand that the office of the Secretary of State for India must have decided upon some definite policy in this matter, of which the lordling had got wind He told his secretary, Mrs Harrison, to enquire with the Board of Trade whether or no the papers on the Bill had been sent to it for ascertaining its opinion

He further suggested that she might meet some prominent Members of Parliament, duly acquaint them with the object underlying the Bill, and try to enlist their aid in the business

Mrs Harrison commenced her endeavours accordingly, and instituted enquiries at the Mercantile Marine Department of the Board of Trade From the information gathered there it transpired that, unless such a matter was sent by the India Office for remarks, the Board of Trade would not consider it *suo motu* Whereupon Mrs Harrison herself asked a senior official of the Board, when she met him, "In case such a matter should come, is there any likelihood of the Board's expressing an unfavourable opinion, or of some members opposing it ?" "I am not in a position to say" came the vague and cautious reply, "that there will be no opposition at all. Every Bill meets opposition from somebody or other" The woman then asked him one more searching question: "Have the London Chamber of Commerce, or the people in the Maritime Transport Department, sent any representations and so on ?" The official replied, "So far as I personally recollect, no such representations have come. The parties on whose behalf you are making these enquiries, woman, could if they so choose enquire in writing about this at the India Office, or send a representation in the matter And then it is possible that they may send it to us for remarks" But as she was leaving, the fellow did not forget to ask, "Are there any politics behind this ?" "Certainly not !" Mrs Harrison hastened

3 Letter to Scindia Company on July 22, 1925

to assure him; "There are no politics of any kind behind this. It's of a purely business nature."

On getting the news from the Board of Trade through Mrs Harrison, Walchand called on the Hon Narayan Mahadev Samarth, who was at that time a Councillor at the India Office. But this gentleman frankly declared his inability either to put in a word or to give any kind of help. From the Indian High Commissioner as well as the Trade Commissioner, Walchand received identical answers. About these gentlemen he has passed certain remarks in a letter,[4] as follows: "A little might have been expected out of the Indian Members at Whitehall but the impressions so far on my mind are none has much say or influence there nor have they the guts to oppose. As a matter of fact one might be expected to be absent, the other's conscience, like Sir Sivaswamy's, might come in the way, and the third does not think India or Indians deserve and should expect any better treatment"

Despite this experience of Indian Councillors, Walchand would not sit idle He requested his legal advisers, Messrs Bull and Bull, to write and obtain official information from the Under Secretary of State for India They wrote as instructed on July 31, 1925[5] The fellow replied, "We regret that we are not in a position to supply you with information on the points raised by you" Observing this non-co-operative attitude of the India Office, Walchand thought of seeing what a fellow like Sir Leslie Scott, who was an eminent lawyer as well as a Member of Parliament, would have to say, and he decided to call on the man One morning (August 7, 1925) he went to the fellow's house to meet him. Bull and Bull had already given the man Scott full information about the matter After lengthy discussion, the fellow pronounced his opinion as follows·

"In view of the facts that this Bill is repugnant to Section 763 (b) of the Imperial Merchant Shipping Act, and that it is undoubtedly injurious to the British shipping transport business, then, even if the Indian Legislature should pass it by a majority, it will not obtain

4 Letter to the Scindia Company, sent from London on July 16 1925

5 In the letter they asked the following questions

(1) Has this private member's Bill been referred to the India Office and reported upon by the legal advisers here?

(2) Is it a fact that they have pronounced the Bill to be *ultra vires* and that, therefore, the Speaker of the Indian Legislative Assembly cannot allow such a Bill to be even presented or read the first time?

(3) Is it a fact if the Government Member tells the President of the Assembly that the Attorney-General has pronounced the Bill to be *ultra vires*, the President must stop any further discussion?

the assent of the Secretary of State or the Governor-General. The present Governor-General Lord Reading, and likewise the Secretary of State Lord Birkenhead, are both highly distinguished lawyers, and I do not think that they will accord their assent Even assuming that they should accord it, in case anybody brings the issue to Court, it will be held that 'to pass such a Bill is beyond the competence of the Indian Legislature'. In the past, many residents of Britain have sought to reserve their country's coast for their own trade, but have met with no success. An Australian law passed in this connection has been judicially held *ultra vires*[6] Taking all these points into consideration, I am not of opinion that your efforts in this matter will succeed."

In spite of Sir Leslie Scott's adverse opinion on the Coastal Reservation Bill, Walchand refused to be discouraged. If the Bill was to be found fault with at any point, the fault must lie with the specific language employed, and steps should be taken to bring it again before the Legislature after amending the language; he was determined not to remain quiet Apart from the Bill's ultimate fate, he also attached importance to the way in which it would create in India a new vigilance to protect her own rights, as well as an atmosphere of aggression towards the British traders In a letter to the Scindia Company,[7] he said: "This bill is the salvation of the Scindia Company from every point of view. If anything is going to frighten, or rather straighten, Inchcape, it is the passage or at least the agitation for this bill. All possible 'noise' should be made, and I would consider money spent on this 'propaganda' as money well spent."

Walchand's business in England was now coming to an end, and he was planning a brief trip in Europe with his wife Kasturbai, before returning home In the second week of August they left London, and after spending a few days each in Berlin, Vienna, Rome and Marseilles, sailed for India in the first week of September.

On returning to Bombay, he was greeted with a very happy piece of news, from the viewpoint of increasing the Scindia Company's field of transport This was that the port of Okha, which the Baroda State had been constructing with infinite persistence for some years past, was now completed, and was to be declared open by His Highness the Maharaja Sayajirao on February 14, 1926 In

6 This statement is not quite correct. Australia merely amended the Navigation Act with a view to obtaining higher pay for Australian workmen, and by so doing it increased its transport industry

7 July 22, 1925

the constructing of this port Walchand and the Scindia Company had been of great assistance to the Baroda State. The port is a large one, of modern construction. In the Gulf of Cutch, between an island and the mainland of Kathiawar's western tip, a natural harbour had been formed. This was formerly known as the "island harbour". If regularly built up, it had been frequently suggested to the Government of India, this could become an ideal first-class port. Yet the suggestions fell on deaf ears, and the Baroda State had frequent thoughts of undertaking the work itself. This however, owing to certain technical difficulties, it was unable to attend to for many years. Afterwards these difficulties disappeared, and in 1919 or thereabouts Maharaja Sayajirao called a skilled architect from England, and got him to survey the harbour and its surrounding area. His verdict being favourable, a plan was got drawn up by him, and work began immediately.

Within the limits of this harbour, a small village named Adatra stands on the mainland At this spot a large jetty, four hundred feet long, was built for the port It is so designed as to accommodate two fairly large ships at a time. This jetty, with its ancillary constructions, cost the Baroda State some forty lakhs of rupees Nineteen miles from this port lies the holy place of Dwarka, famed not merely as a pilgrim centre but also for its cement factories. Seven miles distant is Mithapur, with Tatas' chemical factory Besides these, the neighbourhood contains in addition large salt works At this port the railway's Jamnagar and Dwarka branches meet From here to the chief towns of the interior, excellent linking roads have been laid down With all these essential facilities for traffic, the port has achieved a very high importance for trade In the port's first year (1926-27) 14,000 tons of cargo were unloaded; five years later (1931-32) the figure exceeded 68,000 tons. In 1926-27 the port took on 2,000 tons of cargo for abroad; in 1931-32 it loaded as much as 7,11,168 tons. To see the great strides made by Okha Port in just a short span of time, gives one a first-class idea of what can be achieved when the authorities are far-sighted, with modern views, solicitude for the people, and ingenuity The opportunity which such a port would give his Company for commercial transport on a large scale, was naturally a source of pleasure to Walchand

On the opening of the port, the first large-size steamer to enter it was Scindias' 7,000-tons *S. S Jalajyoti*. Walchand was connected, in the capacity of director, with the cement and salt works operating

in the areas round about the port[8], and at the same he enjoyed close relations with the Ruler himself, his principal ministers, and the traders and industrialists of the State ; hence the Scindia Company's ships would never lack for freights

In the beginning, foreign firms ignored Okha Port, but when they saw its trade increasing, they too began to despatch their steamers there. Today we see large steamers entering Okha, belonging to the City and Hall, British India Steam Navigation, Clan Line, Anchor Line, and other foreign lines.

In November of this same year (1926) fresh elections were held to the Legislative Assembly. Walchand had long felt the necessity of securing the election of some knowledgeable individual, who would keep the question of the Indian Mercantile Marine constantly alive in the Assembly, take the national view of all questions coming up from time to time relevant to the sea transport business, and give a patriotic turn to the Assembly debates. He took advantage of this year's fresh elections to insist that Barrister Sarabhai Nemchand Haji, of the Scindia Company, should stand. Haji stood with success.

Like another of Walchand's assistants, Mansukhlal Master, Sarabhai Haji also made a minute and deep study of the shipping business The best proofs of his learning are the testimony he gave before the Fiscal Commission and the Indian Mercantile Marine Committee, as well as his publications "Economics of Shipping" and "Place of India in World Trade and Shipping." He was a B.A. of Oxford University as well as a Barrister-at-law Like Mansukhlal Master, he too did not practise law, but (again like Master) he also spent his whole life as an advocate of the Indian shipping trade After serving a few years as a Lecturer in History and Economics at Bombay's St. Xavier's College, from 1921 onwards he looked after the Scindia Company's work in Rangoon. In the agitation which he carried on in respect of the shipping business, Walchand received very considerable intellectual assistance from Mansukhlal Master and Sarabhai Haji alike.

In 1926, when a special "Maritime Session" of the International Labour Conference was held in Geneva, he attended in the capacity of a representative of the Indian industrial and commercial associations To this session the Government of India had sent a British ship-owner as representative of India's ship-owners. Raising the

8 Walchand was a Director of both the Okha Cement Company and the Okha Salt Works

objection that no British ship-owner could represent the Indian ship-owners, Walchand violently attacked the Government of India's policy. A great disturbance was kicked up, this challenge being quite unexpected, and from that time an Indian was elected to represent the Indian shipping trade at Geneva's international conferences.

Although three years had elapsed since the publication of the Indian Mercantile Marine Committee's report, there was no indication of Government's taking cognizance of any of its recommendations; he therefore, with the help of the Swaraj Party members, got the matter talked about through frequent questions in the Assembly. "Government considers" ran the replies to these, "that many of the recommendations in the Indian Mercantile Marine Committee's report are debatable; for the present, therefore, Government can take no action in the matter. Only the recommendation for initiating nautical training has been accepted, and Government is considering arrangements for training young Indians, after inviting an expert from England in the very near future" The month of December 1927 dawned before these considerations about nautical training took practical shape. An old troop-ship named the *Dufferin,* after undergoing the necessary modifications, was handed over for training, and Captain Digby-Beste, an officer of experience in nautical science, was appointed Captain-Superintendent The control of this ship having been assigned to Government's Commerce Department, a governing body for advice and planning[9] was formed of official and non-official members. For being given training on the *Dufferin*, thirty candidates were selected after holding examinations at Bombay, Calcutta, Rangoon, Madras, Lahore and Lucknow It was at first decided to give three years' training as an experiment, but the experience of this was so satisfactory that the arrangement was afterwards made permanent

Walchand and the Scindia Company welcomed this enterprise, merely stipulating that "Government must make arrangements to get for the candidates, on completion of their training, employment on board steamers, with no distinction of colour." The Scindia Company itself had already started the practice of training young Indians who wished to enter the nautical profession, and employing them in its own steamships. Not only this, but it had commenced

9 This governing body included Seth Narottam Morarjee, Mansukhlal Master, and Sir Purshottamdas Thakurdas It was presided over by Capt Headlam, Chairman of the Indian Mercantile Marine Committee

sending its technicians to England for higher studies in nautical science. In 1926 a batch of six mechanical technicians went to England.

Out of the Indian Mercantile Marine Committee's recommendations, one—as shown by the *Dufferin* scheme—had been grudgingly carried into effect by Government; but what about the setting up of the national Mercantile Marine? It was obvious that Government was proposing to do nothing whatever about it In view of this, on February 9, 1928 Sarabhai Haji introduced in the Assembly his Reservation of Coastal Traffic Bill. At its meeting of March 22, 1928, the Assembly resolved that the Bill be sent for opinion to the country's top leaders, as well as to public workers, merchants and industrial organizations. After the lapse of five months, at the Assembly of September 13, Sarabhai Haji proposed that the Bill be sent to a Select Committee,[10] for examining the views and suggestions received from the public and for passing decisive remarks, and that this Committee present its report not later than February 10, 1929 The proposal was agreed to

On the day on which Sarabhai Haji first brought his Reservation of Coastal Traffic Bill before the Assembly, the European bloc at once notified the Assembly President in advance that when the Bill came up for a second reading, they would move that "this Assembly is not competent to pass this Bill" This clearly indicated that the other side had made preparations for attack, and would bitterly oppose the Bill by raising numerous obstacles in the Assembly

The European bloc's chief objection to this Bill was that "Sarabhai Haji's object is to take the long-established coastal carriage of merchandise out of European hands; to crush the trade of people who have carried on the profession of transport by ship through their own efforts for so many years past, is not fair."

To this the sponsors of the Bill retorted, "Let them once ask themselves who owns and shall own the coast of India, and then see what is the answer A coast belongs to the people who were born in that country and will spend their lives there. Coastal transport is considered a private and domestic affair. In the case of trade

10 The Select Committee was proposed to consist of the following members Pandit Motilal Nehru, Jamnadas Mehta, Shanmukham Chetty, Satyendra Chandra Mitra, Maulvi Mohamed Shafi, U Tok Kyi, Lala Lajpatrai, Pandit Madanmohan Malaviya, Ghanshyamdas Birla, K C Niyogi, Madhav Shrihari Ane, Sir Purshottamdas Thakurdas, Abdul Matin Chaudhary, Nawab Sir Zulfikar Ali Khan, Nawab Sir Sahebzada Abdul Qayam, Sir James Simpson, Sarabhai Haji

following this route, no question arises of international barren theories or treaties. At the 1923 International Conference at Geneva, fresh clauses laid down that the agreements made by the Conference in respect of commercial transport had nothing to do with any country's coastal transport In fact, the question of reserving or not reserving coastal transport being of a private nature, it is manifest that the right over coastal transport belongs to the people of the country. The consequence is that no question survives of taking away something which belongs to the European companies."

The European business group actually put forward one question, namely, "If we hand over our coastal trade to you, will you pay us something for Goodwill or not ?" To this the Indian leaders replied, "For the last hundred years you have kept possession of both Indian and foreign transport, what have you paid us for that ? On the contrary, in the past seventy years thirty Indian companies have entered the transport business, and put twelve and a half crores of capital into it All you did was to vent your spite against these companies, fight with them over freight rates, and try to crush them. For this, it would be no injustice to say that your ships along our coast should be seized Anyway, apart from this, foreign transport will remain in your hands, will it not ? The profit from this, which is fifty crores annually, will be yours What further compensation do you expect, than this ? On all that profit which you were making up to 1922, you did not even pay income-tax to the Government of India ! And because that Government was your own brethren, even that was passed over in silence—doubtless through oversight ! Very good ; now tell us like honest men—In the past forty years, how many young Indians did you help to qualify in mercantile navigation, how many did you allow to sail your ships ? Up to this day, you have not allowed a single young Indian to acquire knowledge of nautical science And *that's* your 'Goodwill', is it not ?"

"After the Indian merchants get this Bill passed," howled the European merchants, "they want to hound us off the Indian coast, snatch from us in a flash the trade which we have built up on sure foundations over so many years, and drive us beyond their boundaries." These howls were insincere Sarabhai Haji had foreknown that they would be raised by these people, and had included in his Bill a farsighted provision This was that the reservation of coastal transport for Indian steamship companies should not commence

immediately, but should take full effect within five years of the passing of the Bill.

Writing of this, the *Kesari* newspaper's issue of March 12, 1929 carried the following: "It comes to this, that newly entering Indian companies must firmly establish themselves within five years before they undertake this responsibility. Authority to license transport along the coast has been given to the Governor-General-in-Council. And he, as Barrister Haji has modestly requested, would license companies whose capital is in Indian currency (i.e rupees) and who are registered in India, at the rate of only 20% in the first year, 40% in the second, 60% in the third, 80% in the fourth, and 100% only in the fifth year. Is there anything crooked in this? The Indian Companies are saying, 'By keeping in your hands, up to this day, both the foreign commercial transport and the coastal transport, you have milked the Indian people each year to the tune of fifty crores and ten crores respectively, or sixty crores in all. Now you are to keep just the coastal transport for us, but not to show pointless spite there, or crush our trade by starting your rate wars and your Deferred Rebate system.' If our Indian merchant shippers say this, what fault is there in it?"

"Indian companies will be lax in their management", declared the European opponents of this Bill, with a hypocritical show of concern for the Indian public. "Even if Indian companies are formed," they objected, "the capital will not be put up. And you Indians have no conception of life at sea. Consequently the rates will go up dreadfully, and the poor wretched Indian people will have to pay more for the necessities of life." There was no rhyme or reason in these objections, which the Kesari refuted in the following terms: "Now, Sir Charles Innes[11] estimates that the coastal trade will call for about 65 ships of 7,500 tons. To buy these 65 ships will require a mere eight crores of rupees, and if we take the total incidental costs as about two crores, there will be no difficulty whatever in finding ten crores. Government has so far spent some 800 crores on the railways. This being so, it is not at all impossible for Government to borrow ten crores and give it, considering it as a temporary assistance to industry, to Indian companies on its own responsibility. Again, in August last (1928) when Government wanted a fresh loan of thirty-three crores, the public subscribed it in not more than eighteen days. From this we are

11 Then Head of the Government of India's Commerce Department

confident that, if the door of coastal transport is opened to our shipping industry, a loan of ten crores can be subscribed in a week at the most. Anyway, nobody even insists that the loan of ten crores should be given to Indian companies all at once. Why, Barrister Haji's Bill incorporates a five-year programme. Anybody will agree that Government should help only if private capital is not forthcoming. And in case Government gives a loan as help, there can be a legal restraint on such companies If the experts opine that the freight rates will considerably increase, and cast a needless burden on the Indian public, it is perfectly possible to impose legal controls; and since the authority to issue licences rests with the Governor-General-in-Council, he retains the power to make suitable changes in the conditions of the licence Hence there is no particular substance in these objections

"The real objection to Barrister Haji's Bill is inspired by the fear that if the coastal transport passes into Indian hands, Indian companies will arise to carry on the shipping trade, yards will be set up here for building steamers, and these Indian merchants will start competing with the Bill's objectors even in foreign trade! Impelled by this fear, the British merchants have taken it on themselves to slay this infant, struggling to birth, in the very womb; and behind them stand men like Lord Inchcape, all ready to accept the challenge of sacrificing the brave Barrister Haji's Bill Therefore it behoves the Indian public to be vigilant in the crisis, and successfully carry through the responsibility of sponsoring this Bill "[12]

The enthusiasm with which the lordling "accepted the challenge of sacrificing Mr Haji's Bill" was nothing to the enthusiasm with which Walchand determined to floor him, by collecting a force of votes to back Haji up In the Assembly, through the newspapers, and from the platforms of commerce, he mounted a powerful campaign He met men like Gandhiji, to whom he explained all aspects of this question, and whose support for the Bill he and Narottam Morarjee secured In his weekly *Young India* (August 2, 1928) Gandhiji had written an article headed "Indian Shipping" in which he backed this Bill[13] Three years later, in an article headed "The Giant and the

12 *Kesari*, March 12, 1929

13 Gandhiji concluded his article thus "I should welcome and support all action that would protect them against foreign aggression or free from foreign competition especially when the latter is grossly unfair as is in the case of foreign shipping and foreign piece-goods I therefore wish Sjt Sarabhai Haji every success in his very moderate effort He might quite justly have gone further than he has"

Dwarf", while describing Britain's destruction of Indian industries, he poignantly observed, "The Indian shipping had to perish so that British shipping might flourish."[14] How keenly and anxiously Gandhiji felt about the Indian shipping industry, we can see from the article which he wrote in *Young India,* referring to the Viceroy Lord Irwin's speech to the Delhi Legislature on November 25, 1930, in which he stated that among the immediate suggestions which he had made to Irwin for the good of India, was that he should 'assent to the Coastal Traffic Reservation Bill, for keeping the commercial transport on India's coast for Indian traders'.

In order to assess the reactions of the highest official circles to the atmosphere of discontent against the British trading community which had been created both in the legislatures and the country thanks to the keen enthusiasm with which the question of the Indian shipping industry was thus being pursued both in and out of the legislatures, as well as to try whether they could make use of those reactions for removing to a larger or smaller extent the obstacles in the path of the Scindia Company's progress, Walchand and Narottam Morarjee planned to pour the tale of their Company into the ears of the Viceroy and his Commerce Department At that time the shipping industry came within the purview of the Commerce Department They therefore first suggested to Sarabhai Haji that he should call on the then Secretary of the Commerce Department, Sir Geoffrey Corbett, and acquaint him with the overall situation of the Company Haji accordingly called on him at Simla in the month of March 1928 At this meeting he showed him a clear picture of the critical time through which the Scindia Company had been passing, explained how essential it was, for the survival and growth of a new industry of national character, to amend the one-sided agreement subsisting between the B I. and the Scindias since 1923, and at the same time suggested what amendments therein were chiefly called for[15] These suggestions included, inter alia, that Scindias should be given the carriage of mails and Government stores on a par with the B I. and the P & O

14 *Young India*, March 26, 1931

15 Sir Geoffrey Corbett made a note of Haji's proposed amendments, and on March 20, sent it to him for confirmation The amendments contained in the note were as follows

(A) *Agreement between the Scindia and the B I*

1 The Scindia is now restricted to the coasting trade of India The agreement should be extended to all routes east of Suez, including the Persian Gulf, East Africa, Java and Singapore

2 The Scindia is now restricted to 70,000 tons gross tonnage distributed over 14 steamers This should be increased to 1,50,000 tons gross tonnage for all routes,

In April 1928 Geoffrey Corbett paid an official visit to Bombay, when Narottam Morarjee met him, held a long discussion with him about the above suggestions, and requested him to convey his views upon them to him (Narottam) as early as possible. Government had appointed Narottam as representative of the Indian industrialists for the International Labour Conference to be held at Geneva that year. After the Conference's work was over, Narottam thought of going to London On going there he wanted to meet the Secretary of State for India, Lord Birkenhead, if the opportunity could be found, and place before him all these suggestions of the Scindia Company and consider them along with him Such a meeting, Narottam also suggested to Sir Geoffrey Corbett, it would be desirable for the Commerce Department of the Government of India to fix up and arrange This suggestion Sir Geoffrey Corbett accepted. Later, in May, he sent the agreement between the B. I. and Scindias, as well as a memorandum of the proposals submitted by the Scindia Company's directors, to the India Office, and asked that arrangements be fixed up for a meeting of Narottam Morarjee with the Secretary of State for India

with no restriction on the number of steamers

3 The Scindia is not now permitted to carry passengers on every route It should be permitted to carry passengers on all routes

4 The Scindia is not a member of any conference Their present agreement in respect of the *coasting* trade is with the B I *only*, which secures the assent of other lines in the Conference to its arrangement with the Scindia

The Scindia would prefer to be a full member of any Conference concerned with the routes to which the agreement (as extended) would relate

Note The Scindia would be able to provide the necessary finance for an additional 80,000 tons of shipping costing Rs 160 lakhs, as follows

Rs 50 lakhs — in cash

Rs 60 lakhs — by allotment of 400,000 shares of Rs 15 not yet allotted (Capital already paid up is Rs 90 lakhs, namely 600,000 shares of Rs 15 which are now quoted at about Rs 19/20) Balance of Rs 50 lakhs to be borrowed from the builders of the new ships

(B) *Foreign Trade*

For the development of an Indian Mercantile Marine, it is essential that Indian shipping should enter into foreign trade and should not be restricted to the coasting trade of India and adjacent routes

To enter into foreign trade it would be necessary for an Indian company to have a fleet of 10 ships of 10,000 tons deadweight (about 7,000 tons gross tonnage) costing about Rs 150 lakhs

It is suggested that State assistance might be given in the following ways

1 The necessary capital should be lent by Government at moderate rate of interest say ½ per cent above the Government rate of borrowing, secured by debentures on the ships making due provision for depreciation and sinking fund

2 Navigation bounties should be given based on the ton-mileage of cargo carried An *ad hoc* enquiry might be undertaken to consider rates of bounties and methods of calculation

3 Preference might be given in the carriage of Government stores from ports in the U K and other countries to India

On finishing the work of the Labour Conference at Geneva, Narottam went to London in the fourth week of June His main object in going there was to meet the Secretary of State for India, Birkenhead, and Lord Inchcape, and to see whether the agreement made with the B I. could be modified on the lines of his fresh proposals One day a telephone call came to him from the India Office, saying that "Earl Winterton[16] would like to talk with you ; you may therefore please call on him at 4 30 p m on June 28, 1928 at the House of Commons "

Narottam kept the appointment After the greetings, enquiries and formal remarks were over, Narottam asked Winterton, "Have the papers in the B I matter reached the India Office from the Commerce Department of the Government of India ?"

"Yes, they have", Lord Winterton told him "But before we talk about them, I will have to understand the disputes which you and the B I have been having What's the trouble ?"

"They keep on lowering their rates," replied Narottam, "without asking us or offering any explanation This puts us to a big loss The policy of their Board seems to be not to allow a newly-formed Company like ours to stay in the business "

"If that is the case," said Winterton, "you must give effect to whatever remedies are provided for this in the agreement between you both If you like, place the matter for arbitration, or act according to the appropriate clause of the agreement When does your agreement end ?" "The end of 1932", answered Narottam

"In that case, until the agreement expires, I don't think the India Office can do anything for you in this matter. I feel sure of it "

"How can you say that ?" exclaimed Narottam "When we talked about this to Sir Geoffrey Corbett, he said, 'The Government of India will recommend to the India Office that a fresh agreement be made, according to your talk with me regarding the kind of amendments which are called for'."

"Oh, no, no ! Neither the Government of India nor the India Office has any power at all to tamper with an agreement which is still in force." Winterton's reply seemed to indicate that the discussion was closed Narottam took the point, but refused to be silenced He immediately sensed that the man wanted to shake off his responsibility, and get as far away from the business as he

16 Under Secretary of State for India

possibly could. Such was indeed the truth, but Narottam had no desire to let the fellow escape in this way. He went on speaking.

"In other countries," he pointed out, "the shipping business is reckoned as one of national importance, and receives assistance in every way. In one form or another it receives bounty, it is carefully tended, it is helped to grow But our Government is not prepared to lift a finger in anything to do with the Indian shipping industry "

"Up to now, haven't you been getting on all right ?" asked Winterton "Aren't you making a profit ? Are your steamers conducted as efficiently as they ought to be ?"

"Our steamers are insured at A1 rates," was Narottam's instant reply "If they were not conducted efficiently, they would not have got this classification "

"Are you paying your shareholders a dividend, or not ?"

"Of course we are, but a very low one The B I fixes its freight rates so low that after we've met our expenses, practically nothing is left And then if depression occurs, we are in serious difficulty At a time of depression, the B I can divert their steamers to foreign waters and secure some income, this advantage is not given to us in the agreement This means that we have to face enormous loss At such a time, if we say that Government should help us, it is not ready to do even that much It takes the view that we should look to our own affairs The U K Government has helped the British shipping industry in all sorts of ways It does not stop short at giving bounty, but has helped with an annual subsidy as well as loans sometimes at low interest, sometimes interest free "

"In the past that was the case, but not to-day "

"That must be because today the British shipping industry is in a very sound state It no longer requires help Our position is otherwise "

In the face of Narottam's unanswerable arguments, Winterton was somewhat at a loss Possibly thinking that it would be a mistake to prolong the conversation any further, he said, "Never mind about that Until the agreement between your company and the B I expires, it is not possible for us to do anything."

The interview was over While bidding the Earl goodbye, Narottam asked "Some day or other, will it be possible to arrange for you to dine with me ?"

"Why not ? By all means arrange it I will positively come, and

bring my wife too—if I may ?" Winterton was relaxed and smiling. "Splendid !" cried Narottam in tones of pleasure. "That will be fine Certainly bring your Lady I shall be delighted I will let you know the day very soon."

For the matters which Narottam had gone to discuss with Winterton, the House of Commons is not a convenient spot There are constant interruptions with messages and telephone calls, which disturb the conversation, distract the mind, and break the threads of the discussion It was because of this that Narottam had invited Winterton to dinner This time at least, he hoped, he could calmly pick up the broken threads and complete the half-finished discussion Whether Narottam would have managed to fix up a dinner for Earl Winterton or not, cannot be known; but he obtained a very early opportunity of discussing those very matters, which he had wanted to discuss at length with Winterton, with the Secretary of State for India, Lord Birkenhead, and a senior official of the India Office, Louis Kirk-Shaw Both of these had taken offence at the Bill which Sarabhai Haji had introduced in the Legislative Assembly at Delhi, and the tone in which both he and other popularly elected members had discussed it Lord Birkenhead at least made a small show of sympathy, promising that he would "tell his great friend Lord Inchcape to think about" Narottam's proposals But Sir Louis Kirk-Shaw frankly stated that "while I concede that your agreement with the B I is one-sided, so long as it is in force, we cannot interfere with it You cite the examples of Japan, France, and other countries, to suggest that Government should give your Company help in the shape of 'subsidies', 'bounties' and so on; but you have set out to kill the British shipping industry So why should we help you this way ? First we get rid of your Reservation of Coastal Traffic Bill, and then we shall be able to see."

When Narottam called on Kirk-Shaw, he was accompanied by a prominent Calcutta merchant, Khaitan, and a political leader and Member of the Legislative Assembly from Madras, Shanmukham Chetty [17] Kirk-Shaw was annoyed to see them with Narottam

When there was no longer any prospect of getting direct help from the India Office, in effecting an amendment of the agreement with the B I, Narottam commenced attempts to get Birkenhead, the

17 Narottam had previously asked Kirk-Shaw whether it would be all right for him to bring along a couple of friends, and Kirk-Shaw had assented Narottam had not, however, said who the friends were, nor had the other asked When they came, and Kirk-Shaw learned that one of them was a Legislative Councillor, he became ill at ease He did not welcome their presence

Secretary of State for India, to keep his promise to drop a word with Lord Inchcape and make him change his mind In this matter, he received much assistance from the former editor of Bombay's *Times of India* Sir Stanley Reed, and from Sir Atul Chatterjee of the India Office A few days later, Narottam received a message from the Secretary of State for India, which said, "Lord Inchcape advises that whatever you have to say, you should call on his assistant and B I Company Director Sir William Currie, and say it to him You may therefore meet him as suggested"

By now, due to advancing age, Lord Inchcape was practically on the road to retirement from affairs And at about this very time, he was prostrated with grief over the death, in an air crash, of a beloved daughter Elsie, who used to assist him in his work. His countenance had lost its one-time bloom Even so, since the world depression and the competition of Japanese and American shipping companies had made the financial condition of the P & O less satisfactory than it should have been, he was still attending to his Company's work to some extent He had entrusted practically the whole management of the B I to Sir William Currie

Sir William had lived in India from 1910 to 1926 Starting as a junior executive of Mackinnon Mackenzie, he afterwards became one of its partners At different times he filled such posts as Sheriff of Calcutta, President of the Bengal Chamber of Commerce and the Associated Chambers of India, Burma and Ceylon, Member of the Bengal Legislative Council, and Member of the Council of State During the compromise negotiations between the B I and the Scindia Company, he was constantly at Lord Inchcape's side He was present when the two principals (Inchcape and Narottam) signed the agreement He occupied a high place among the persons in Lord Inchcape's confidence To such a man it was appropriate that Inchcape should entrust the question of the Scindia Company Another point was that all the Scindia Company's disputes so far had been with Currie and his assistants These considerations must have made Lord Inchcape deem it advisable for the Scindia's matter to be handled by Currie alone

Directly he received the Secretary of State's message about meeting Sir William Currie, Narottam sent for Walchand and H P Mody (then one of the Scindia Company's directors) to come to London Narottam thought that before meeting Currie it would be desirable to have one meeting with Lord Inchcape This however could not be arranged Narottam was informed that owing to Lady

Inchcape's illness, his Lordship was in no mood to receive callers. Thereupon Narottam wrote that Sir William Currie at least should arrange an early meeting—if possible in the second week of August "As I am taking my annual holiday in August," came the reply, "might I therefore suggest one day in the beginning of September, say Wednesday, 5th September at 2 30" And so they had to hang about for all that time This off-hand treatment by Currie angered Narottam, Walchand and Mody; but what could they do about it?

Came the fifth of September, and Narottam, Walchand and Mody went to meet Sir William Currie at the B I's office in Leadenhall Street Present, in addition to Sir William, were two representatives each of the B I and another British company engaged in transport along the Indian coast, the Asiatic Steam Navigation Company Currie's object must have been that, rather than do all the talking by himself, there should be others in the same line to assist him, or at least to listen At this meeting, after Walchand had stated what amendments[18] were called for in the existing agreement, and why, there were a number of mutual questions and answers Currie's questions seemed as it were to partake almost of the nature of a cross-examining Counsel, but Walchand and Mody stood up to them staunchly At the end, Mody addressed a forthright speech.

"I ought to specially mention," he said, "that whilst we have suggested to you certain terms and conditions I do not wish you to regard them as matters of bargaining between the two Companies I want you to regard them from a larger standpoint We are here as an Indian Shipping Company and I hope you will admit that we have a right to live and develop to the full extent of our opportunities An agreement must be arrived at which will not create antagonism between two sections of the trade, namely, the British section and the Indian section and a workable arrangement come to which would make it possible for us to work smoothly along with you and which will not harden public opinion against yourselves or anybody else. We want this present agreement to be revised in that spirit and not merely as a matter of bargaining between two Shipping Companies We want you to understand that the issues are very large Look at the matter from the National point of view That is a point I wish particularly to emphasize. I say that this matter has much larger implications than are evident It is not only a question of a mere alteration in an agreement between two Companies. When you

18 The suggestions put forward at this meeting were slightly different from those made by Sarabhai Haji to Sir Geoffrey Corbett

put the matter before your Directors I hope you will put it to them not merely as a business proposition, which requires to be looked at from a strictly business point of view, but also as a proposition which affects much larger issues than the welfare of two Shipping Companies That is a point which I want you very clearly to understand."

"Very well !" exclaimed Sir William Currie.

"I do not want you to waste time by just saying, 'we do not think these people are entitled to do what they claim under the Agreement'," Modi continued "The point is that the Agreement required to be so altered as to make it possible for us to work side by side and to make it possible for Indian Shipping to be developed in a way it deserves to be developed It is up to you to bring about a condition of things in which it will be possible for us to work together We do not want antagonism I may tell you quite candidly and without trying to lay the blame at the door of any one party, that this present Agreement is worked entirely in the wrong spirit "

"That has not been our fault !" snapped Currie

"Without going into whose fault it is," rejoined Mody, "let it be recast in such a way that it will be possible for us to work it in the right way "

"Very good We will expedite our reply and let you have it as soon as possible " With these words Currie brought the discussion to a close The conference was over

To get Currie's final reply took more than one month He held one more meeting on October 12, at his office in Leadenhall Street This time Narottam and Mody attended, Walchand being absent A typed memorandum, setting forth the claims of the Scindia Company's directors and the replies thereto from the B I directors, was laid before the meeting This made it clear that the B.I 's directorial Board was not prepared to grant a single one of the Scindia Company's requests During the pendency of the agreement, declared the B I , nothing was to be done

Just as the previous meeting, this meeting also was marked by numerous questions and answers These raised no fresh points, and simply covered the same old ground. Finally Mody said in deep disgust, "The Scindia Company's requests are not in the very least unreasonable or exorbitant And yet I see, to my regret, that you have no desire whatever to consider them "

"Mr. Mody," cried Currie in bitter tones, "Your proposals mean

our extinction more or less You want to enter into all our trade"

"How can you say that?" Mody rebuked him. "Do you suggest for a single moment that the Scindia Company, with its limited resources, is capable of knocking you out of trades which have been established for ages? All we want is that we would have a little share of the trade It is very extravagant language to say that our demands would mean that you would be knocked out of the trade You have much more tonnage than we have, and we only want an equitable arrangement whereby you will have a certain proportion of the tonnage and we will have our own share."

"Well then I take it the position is that you will put these proposals before your Board when you get back, and will communicate with the Managing Agents," concluded Currie with an air of finality

"Very good", replied Mody "Since these proposals have been put before us, we are bound to place them formally before our Board, and will communicate their decision"

Three months had been spent in London, meeting many people, with nothing to show for it; on the contrary, it had been a waste of time, energy and money The wall of opposition remained as invincible as ever The war trumpets sounded ever more menacingly. And while Narottam's and Walchand's patriotic fervour drove them to fight British commercial policy directly, and the Government of India's attitude of pro-British favouritism indirectly, two undreamed of events occurred during the year (1928) These were, a Royal invitation for Narottam to a Garden Party at Buckingham Palace[19] on July 26, and the British Government's award to Walchand of a C I E[20] in the New Year Honours That Government should, in a year of conflict, so gratuitously and unexpectedly honour these two individuals, who never ceased their sharp criticism of Government's industrial policy and the anti-Indian complex of its senior officials, appeared to some persons as fit for wonder, and to others as suggestive

As a rule, it is commonly found that Government thus honours those persons whose help it has received, or has a prospect of receiving, in order to draw them close to it. But we also observe many instances in which a member of the Opposition, if there is a possi-

19 Narottam wrote to Messrs Narottam Morarjee & Co, on July 12, 1928 from London: "On the 26th July there is a garden party at Buckingham Palace to which I have been invited I was surprised to get the invitation as it was unsolicited by me"

20 The Bombay Government had earlier (March 1927) made Walchand a Justice of the Peace

bility that his defection may weaken it, is won over by being created a Rao Bahadur, Diwan Bahadur or Kt.—one or other of these titles being bestowed on a consideration of the recipient's fitness and status in society Whether it be from the dignity of the title, or whether it be from the new feeling that self-advancement comes before loyalty to one's creed, the one-time firebrand is turned into a moderate, and Government's opponent into its supporter The political history of the British Government affords numerous instances of this type

Let Government's object, in giving Narottam and Walchand these honours, be what it might, these two were not the sort to be dazzled thereby. When Gandhiji was arrested during the 1930 salt satyagraha, Walchand renounced both his J P and his C I E. in protest If Government perhaps entertained some hopes that the award of an honour would blunt the edge of Walchand s opposition, this act of renunciation effectively destroyed them Narottam and Walchand alike were prepared to co-operate with Government. only in matters beneficial to the country, wherever possible , but when the country's welfare, rights, or prestige were in question, they stood at the people's side and did not hesitate to cross swords with the Government at any time

Back home from England, Narottam and Walchand did not give way to despair, but busied themselves in a new direction for the attainment of their goal. Both of them saw clearly that the British shipping industry, which had been expanding on the same principles as guided the British Crown for so many centuries in expanding the British Empire, would follow the same course for ever And since the machinery of Government was there to speed its expansion, they could not help seeing with equal clarity that it would push ahead, indifferent to the opposition of the Indian public

The once wide-spreading ocean of the Indian shipping industry had shrunk, little by little, to a single drop To dry up even this drop, and destroy its existence for good, the hostile party was making supreme efforts to light as fierce a counter-fire as possible Yet even as the growth process persists, on the one hand the seeds of contraction, and in a sense destruction, are forming within its body , and on the other hand, that ocean which has shrunk to the size of a drop, is always struggling to recover its former shape, and the seeds are beginning to form which will awake into life its inherent power of expansion and resistance And the miracle is, that the very fire which the opponents light in order to evaporate that drop, brings

those seeds by its heat to more and more vigorous life. Thus a point is reached at which the drop's contraction ceases and expansion begins; and then it begins actively to repel the expansion which it encounters from outside

Such was coming to be the state of affairs between the British and the Indian shipping industries But the lords of Britain's shipping industry were as blind to it as were Britain's rulers Until its former status should be achieved, until the drop should once more swell into an ocean, the wheels of India's shipping industry, having once again begun to turn, could never stop Now they had picked up speed, a speed that was henceforth to grow faster, faster

14.

UNION GIVES ADDED STRENGTH

IN 1929, a few months after their return from England, Narottam and Walchand arranged to meet the Viceroy Lord Irwin at Simla, and give him an idea of their talks with Sir William Currie and the Scindia Company's problems They had this meeting with the Viceroy on June 5, 1929 They told and suggested as much as could be got into fifteen minutes They had already discussed these matters on June 3, with Sir George Schuster and Sir George Rennie In particular, along with the then President of the Central Legislative Assembly, Vitthalbhai Patel, they had one day specially invited Sir George Schuster to tea and placed their case before him at length His advice was that they should draw up a memorandum of the Scindia Company's history, difficulties, expectations and proposals, and present this to the Viceroy They drew up a memorandum accordingly on June 17, 1929 and sent it to the Viceroy In the concluding paragraph of this memorandum they suggested :

"Under the circumstances narrated above, the clauses of the agreement which have brought about the present impasse require to be modified as were the other clauses which have already been altered to meet the difficulties experienced in working them A satisfactory arrangement can be arrived at only .

(1) When honest efforts are made to fix economic rates of freight by mutual consent;
(2) When the restriction upon the possession of passenger vessels by Scindia Company is removed, thus enabling the Company to profit by the postal subsidies, now paid to non-Indian Companies ,
(3) When the restriction put on the tonnage to be run by the Scindia Company is removed ,
(4) When the ships of the Scindia Company are allowed to be

employed on suitable and remunerative routes;

(5) When the superfluous tonnage which the trade cannot absorb is eliminated by means of berthing arrangements and suitable obligations on the B.I with regard to their tonnage"

About this time, the Scindia's Chief Manager, Mansukhlal Master had gone to London as India's representative at the session of the International Conference of Safety of Life at Sea Lord Inchcape twice invited him to a meeting, resumed discussion of the previous year's questions, and proposed some fresh amendments[1] As clearly as possible, Master explained the Scindia Company's policy and principal requests These requests—to give facilities for increasing the number of ships, to remove the prohibition on carrying passengers, to make Indian waters as well as other waters fully free for Indian ships to sail, to consult the Company before determining the rates, to end the Deferred Rebate System, and so on—Inchcape ignored, while making proposals which would threaten not merely the Company's independence but its very existence "I do not think" said Master, "that the self-respecting directors of the Scindia Company will accept your proposals Of course I shall send them a report of our conversation and the proposals which you have made. I have no authority either to accept or reject them." He sent Inchcape's proposals as a sort of Appendix to the memorandum which Walchand had despatched to the Viceroy on June 17, 1929, adding the comment that "If these proposals are accepted, the peculiar importance which the Company holds today, as a free national shipping firm, will be gone Therefore the Scindia Company's Board of Directors should refuse even to take them into consideration. No matter how much we want to maintain co-operation, with mutual friendship for our mutual benefit, Lord Inchcape's terms make it

1 These proposals were as follows

1 The B I to have determining voice in all matters regarding fixing of rates rebates, claims and in questions of policies and rates for combating opposition
2 The Scindia Company to be specifically restricted in sphere of trade and not to be interested directly or indirectly in opposition vessels
3 Existing agreement to remain in force and not to be affected by the pooling arrangement stated below
4 The B I, the Asiatic and the Scindia to contribute each 20% of their gross earnings of coasting voyages specifically excluding voyages from Calcutta to Persian Gulf
5 First and second class passage money and earnings of vessels chartered by Government, mail subsidies, etc, not to be included in the pool
6 Earnings of pool to be shared in proportion to quantity of gross tonnage engaged in coasting trade but none liable to contribute or entitled to payment or share in the pool exceeding rupees two lakhs and a half

neither possible nor practicable for any company to succeed in doing so."

After his interview with Inchcape, Mansukhlal Master, accompanied by Sir Phiroze Sethna (at the latter's insistence) called upon the newly installed Secretary of State for India,[2] the Labour Party's Captain Wedgwood Benn, on August 1, 1929 With these two came Louis Kirk-Shaw of the India Office The new Labour Secretary of State, Sir Pheroze and Master hoped, would be of a more liberal disposition than his Tory predecessor; he would be likely to view the Scindia business with a sympathetic eye Captain Wedgwood Benn was originally a Liberal, who had been reckoned as Mr Asquith's right-hand man. He was especially well known for his love of individual liberty It was this characteristic which in 1927 made him leave off following the Liberal Lloyd George and follow the Labour Party Sir Pheroze and Master had good reason to think that a man of this type would perhaps be helpful in their work

Sir Pheroze and Master gave him an account of the state of the Indian shipping industry, together with the steps being taken in the matter of reserving the Indian coast for India's own shipping merchants Master also informed Wedgwood Benn of the conversation which had taken place between him and Lord Inchcape a few days earlier at those two interviews Now and again the fellow interrupted to put a question, to which the two gave detailed replies They recounted for him the whole story of the tussle over rates, in the course of which they described how the P & O Company, by reducing the rates from Rs 17 to Rs 1-8-0, had ruthlessly crushed Jamshedji Tata's shipping business This was too much for Kirk-Shaw in the adjoining chair· "This is grossly exaggerated!" he exclaimed Master handed over to Wedgwood Benn a pamphlet which he had with him, it was "War of Rates", which Mr Tata had presented many years previously to the Secretary of State of that day Running over its pages, Wedgwood Benn told Kirk-Shaw "Allow Mr Master to speak; don't keep interrupting him"

Kirk-Shaw did not relish Master's allegations against the Government of India and British merchants He would interrupt with a "Never! Certainly not! You've got that wrong" But presently, when Captain Wedgwood Benn signed to him to desist, Master was allowed to speak without interruption Wedgwood Benn heard him

2 This summer there had been fresh Parliamentary Elections, in which the Labour Party won a majority It took office under Ramsay Macdonald as Prime Minister of Britain

attentively, and ended by saying "You people are justified in wanting an Indian Mercantile Marine to be formed, and the matter has my full sympathy The Viceroy Lord Irwin will soon be coming here. I will talk to him about this matter Only, I can't tell him what to do and what not to do In September when Mr. Haji's Bill comes before the Legislative Assembly, the Viceroy won't be in India and so I will give the officials in India my view that 'only giving nautical training will not be enough ; in order to be able to make direct use of it for assisting India's economic expansion, some way or other must be found to establish and develop an Indian Mercantile Marine' " With this assurance by Mr Benn, the interview ended.

As they were bidding each other good-bye, Captin Wedgwood Benn humorously said · "Mr Master, I would like to go to India as a passenger in Scindia's ship "

"Oh yes You are welcome If the Government of India take all proper steps for the development of an Indian Mercantile Marine," smiled Master, echoing the other's tone, "that desire will be fulfilled within a reasonable time "

A few days later, the Viceroy Lord Irwin arrived in London After taking note of the political discontent which had then arisen in India, and the keen agitation for independence which was going on, he had come to England with the object of giving the British public a true account of the Indian people's feelings, hopes and fears, and of discussing with the British Government the future policy towards India One day, during his stay in London (September 4, 1929) Sir Pheroze Sethna and Mansukhlal Master called on him Master had prepared a Note for the Viceroy giving a rapid but complete account of the dispute between the Scindia Company and the B I, and the dangerous events and activities to which it had given rise, and this he now asked him to read first[3] Following

3 The Note concluded with the following list of points for the Viceroy's consideration
(a) Negotiations with Lord Inchcape since Mr Narottam Morarjee saw Lord Irwin at Simla in June last
(b) Lord Inchcape is evidently not prepared to revise the agreement in any way
(c) The present policy of the British India Company of keeping low rates of freight, paying liberal claims and sailing their ships even with empty space coupled with their present berthing arrangement is likely to drive the Scindia Company out of the field
(d) It will be a great calamity to the cause and future of Indian Shipping if the Scindia Company is wiped out by the policy of the British India Steam Navigation Company
(e) Immediate revision of the agreement is therefore quite essential The present one-sided restriction should be removed There should be no disability to carry the passenger traffic There should be proper and reasonable expansion of the Scindia Company's tonnage and territory of operations embodied in the agreement There should be clear provision that the rates of freight should be fixed by mutual consent

this he said, "As you advised, Sir, we have done our utmost to solve our problems through 'co-operation and good will', but it has been of no avail, and one sees no possibility of its availing anything. The present attitude of Lord Inchcape and his colleagues is one of implacable hostility to the Scindia Company. Their aim is to lay the Company prostrate and maintain their unchallenged and unfettered mastery of the seas. This is why we have insisted that Government should accept the Coastal Reservation Bill and pass it into law. Only the Coastal Reservation Bill will be found adequate to rescue us, along with the other shipping merchants, from our present helpless and dying condition."

"Neither I nor my officials like this Bill at all", said the noble lord. "It's rotten. At the time of discussion by the Select Committee, Sir Geoffrey Corbett said that the Indian States would not consent to reserve their sea coasts for Indian vessels exclusively, and that it would be difficult to change their views on this point, and many agreed with him. If the Bill should pass into law, many new complicated questions will arise."

"In that case, Sir," replied Sir Pheroze Sethna, "be good enough to suggest by what other way an Indian Mercantile Marine could be achieved."

"For this, I think you should call a meeting of persons connected with the shipping industry, and place before them this question of an alternative plan, and ascertain their opinion. The impression left on my mind from the confidential conversation I had with Mr Haji, is that Mr Haji would perhaps be prepared to withdraw the bill in case a satisfactory solution of the question could be arrived at by such a conference."

Scarcely had this last observation passed his lordship's lips, than

The Scindia Company naturally desires to expand and obtain a reasonable share in the full maritime trade of India as an integral part of Indian Mercantile Marine

(f) It is the past policy of the British Shipping that has driven India to ask for the reservation of the coastal trade

(g) Even the strongest critics of the Coastal Bill have begun to admit that the legitimate aspirations of the Indians for a Mercantile Marine should be satisfied and the British and the Indian interest should co-operate towards that end as is manifest from the two leading articles which have appeared in the issues of the 'Journal of Commerce dated 28th and 31st August which is recognised as perhaps the leading shipping paper in the Empire (copies attached)

(h) The terms offered by Lord Inchcape are by no means indicative of a desire on the part of the British India Company to co-operate. Not only does he not want the Scindia Company to grow and expand but his present policy will only result in strangling it or squeezing it out

(i) It will be for the Government of India to explore all avenues for bringing about a better state of affairs, and thus take the first steps of satisfying the legitimate aspirations of the Indians for a National Mercantile Marine

Sir Pheroze Sethna exclaimed, "The Bill is not under control of Mr. Haji, but is now the property of the Assembly and the country. Whether it should be withdrawn or not is now for the Assembly and the country to say—not for Mr Haji."

"What you say is correct", his lordship then conceded

"On the occasion of the interview which he gave us, the Secretary of State for India assured us that he would write sympathetically about this case to the Government of India. When he and you met, Sir, did he say anything about it ?" asked Sir Pheroze Sethna

"Yes," smiled Lord Irwin, "he has talked to me He has also written to the Government of India"

"We are deeply grateful to you, Sir," said Sir Pheroze Sethna, "for giving us this piece of information The Biil might pass in the Assembly but we know what its fate would be in the Council of State. It is, therefore, for the Government of India to explore all avenues of bringing about a better understanding between the two Companies"

"Your Excellency," said Mansukhlal Master, "you ask us to 'make it up with Lord Inchcape, and create and foster mutual goodwill' Please read this correspondence between the noble Lord and myself". (Here he handed over to the Viceroy Lord Inchcape's letters) "And then please tell me yourself who should make it up with whom, and who should cultivate goodwill towards whom"

"I will read these letters," Lord Irwin promised, "and then send them to Sir George Rennie for his information. It is my sincere desire that an Indian Mercantile Marine should be developed. On my return to India I will personally look into it"

After this Walchand conducted a lengthy correspondence with Sir George Rennie and the other top officials concerned All the time, he neglected no means or occasion of dinning it into the Government of India that it must itself take up the question of protecting and developing the Indian shipping industry, and solve it in an impartial fashion

While these efforts on Walchand's part were proceeding, leaders like Pandit Motilal Nehru, Lala Lajpatrai, Shanmukham Chetty, and Ghanshyamdas Birla came to the aid of the Indian Coastal Reservation Bill which Sarabhai Haji had introduced in the Central Legislature at Delhi, and made mincemeat of the arguments of the European bloc and the Chiefs of the Commerce Department, Sir Charles Innes and Sir James Simpson, who clandestinely supported

them. The resolution approving the Bill in principle had been passed in the Legislative Assembly on September 28, 1928, by 71 votes to 46. Never before had the Government Party suffered such a signal defeat. Yet this did not deter Government, on one pretext or another, from delaying the question of passing the Bill into law, to the maximum possible extent The disposition to play for time was habitual with Government The report of the Select Committee appointed by the Legislative Assembly for Haji's Bill was expected in September 1929, and it had been resolved to consider it immediately on receipt But all the decision it got was Government's statement that "Government considers it advisable that resort should be had to compromise, co-operation and goodwill, hence it will be preferable to postpone it for some time" Consideration of the Bill fell into the doldrums

The European merchants and English officials were bitterly opposed to the Bill Government was not prepared to invite the displeasure of the British merchants and capitalists by making this Bill law, at the same time it could not afford to treat with contempt the pressure of the popular leaders who lent the Bill their support It was with a view to try to find some way or other out of this dilemma, that in January 1930 the Viceroy Lord Irwin summoned a meeting of representatives of the shipping business, particularly the P & O, the Asiatic Steamship Company, the B I and the Scindias On this occasion Lord Irwin expressed his view that both in India and outside India, Indian merchants should get as of right some part of the maritime transport, and should get it with good feelings on both sides But no agreement however, could be reached as there appeared to be fundamental differences between the representatives of British and Indian interests The conference under the circumstances terminated without finding any solution of the problem for which it was convened—except an encouraging official communique published on January 6, 1930 to the effect that "The Government of India will take into consideration at an early date the issues raised in the discussion which took place at the conference on the development of an Indian Mercantile Marine as soon as it has been possible fully to consider these issues The responsibility will rest with the Government of India of deciding what action should now be taken and whether any useful purpose would be served by inviting the interests concerned to meet again."

However, up to 1947, when British rule was scrapped, no action on these lines was actually taken. The Swaraj Party which had

kept up the pressure on Government in the Legislative Assembly, resigned and withdrew at the bidding of Congress;[4] and then the whole business went into cold storage. When the Bill's author, Sarabhai Haji, also resigned from the Assembly, the Bill automatically miscarried.[5]

The lordling Inchcape and his caste-fellows were joyful, thinking that "the trouble had solved itself;" but Walchand made their joy short-lived His unswerving policy was that if one opportunity eluded him, he should discover another, and not allow the fight to flag No matter what the circumstances, he was incapable of retreating; he would not abandon the trail of Inchcape and his fellow-travellers until his ideal should be realised. He was determined that in one way or another he would keep on harrying them With the solid support of big men like Narottam and Lalji Naranji—colleagues of the topmost credit, influence and high-standing in the commercial world—Walchand knew neither doubt nor fear.

Unhappily on the fourth day of November 1929,[6] Narottam suddenly lost his life in an accident at Khandala To Walchand, as to the Scindia Company, this came like a thunderbolt Since his entry into industry, Walchand had received Narottam's help in countless moments of difficulty; from the foundation of the Scindia Company, as its President, Narottam had always stood squarely behind him, keeping him single-minded in the fight against the opposition. The enemy had attempted many a trick to drive a wedge between the two men, but he had foiled them That Fate should snatch away such a champion from his back in the early hours of the battle, was a terrible loss for him Henceforth he must increase and consolidate his own strength, and prepare himself to bear the whole brunt of the coming fight on his own shoulders

On Narottam's death, the Chairmanship of the Scindia Company's Managing Board and its acknowledged leadership passed to Walchand The responsibility for holding the front in the agitation for a National Mercantile Marine fell principally on him In view of this,

4 In December 1929, the Lahore Congress session presided over by Pandit Jawaharlal Nehru passed a resolution declaring its policy as "Complete Independence" In accordance with this, Congress directed its followers to sever their connection with the legislative assemblies

5 After this, in April 1936, Sir Abdul Halim Guznavi of Dacca introduced in the Delhi Legislative Assembly "The Control of Coastal Traffic in India Bill' Before 1938, owing to frequent drafting changes, it was sent twice to a Select Committee for consideration and expression of views Government kept up its opposition to this Bill also

6 In some places we find Narottam's death date mentioned as 5th But in his book "Gandhijina Sansmarano" (p 33) his son Shantikumar says. "On the evening of 4-11-1929 there occurred the death of my revered father at Khandala"

Walchand devised a scheme for forming a strong union of Indian shipowners, and accordingly he established in 1930 the Indian National Steamship Owners Association (INSOA) It started with eleven members—seven shipping companies and four individuals Up to 1949 Walchand and Mansukhlal Master were respectively its President and Secretary Its objects were formulated as follows·

(1) To deal with matters affecting the growth and development of an Indian mercantile marine ;
(2) To attain the advantage of united action for the representation of Indian shipping interests on public bodies in India and other national, Imperial and International organisations ;
(3) To make efforts for the spread of knowledge relating to shipping and allied industries ;
(4) To secure organized action on all subjects relating to the interests of Indian shipowners directly and indirectly.

With the establishment of this union, the Indian shipping industry movement ceased to be the activity of a single individual, and acquired a collective character As the strength of the union increased, so did its influence and the respect paid to its views It began to enjoy contacts on equal footing with like-minded foreign and international associations and unions Such organizations as the International Shipping Federation Ltd, the International Shipping Conference, the Chamber of Shipping of the U K, and the Liverpool Steamship Owners' Association, began to look on it as a representative organization capable of speaking with authority on behalf of the Indian shipping merchants The Government of India were at the same time prepared to regard INSOA as representing the Indian shipping merchants Whenever an occasion arose for Government to send a representative of India to any conference or meeting concerned with the Indian shipping industry, whether in India or abroad, it would consult and appoint INSOA Soon after the union was established, Government appointed the representative suggested by it for the International Load Line Conference, the conference of Life-saving Appliances and Construction of Native Passenger Ships, the Simla Conference on Deck Passengers and Pilgrim Traffic, the Preparatory (Technical) Maritime Conference, and suchlike A time even came at which Government began to take the Association's advice in such matters As a consequence, an exceedingly fine opportunity began to be realised of clearly

placing before the forum of international shipping the problems of the Indian shipping industry and the obstacles standing in the path of its advance; and a favourable effect was exercised—slight and gradual though it might be—upon the Government of India's policy in this regard.

As for Walchand, he was ever eager to make all possible use of such opportunities for the benefit of the Indian Mercantile Marine In June 1935, Government appointed him India's representative[7] at the eighth session of the International Chamber of Commerce in Paris. At this session a certain Lord Issenden made a speech on the proposal that steamship companies engaged in world maritime transport should accept rationalisation of tonnage This tonnage, the noble Lord suggested, should be adjusted upward or downward according to demand; such adjustment would preserve the balance of world economy and reduce harmful competition Inspired by this suggestion, L C Harris even brought a resolution[8] before the meeting to that effect for its approval This resolution had an exceedingly noble and altruistic appearance; but for those like the Indian shipping merchants who owned a very small tonnage, its implementation would prove fatal So far as it concerns the control of cut-throat competition among foreign shipping merchants with more tonnage than they require, or the removal of the harmful effects on various countries' financial structures of sinking uneconomic capital in maintaining tonnage in excess of demand, it is all very well, but for countries like India, who helplessly see their wealth mopped up by foreign merchants, to carry it out is unthinkable. On the contrary, it ought to have been proposed that countries with an immoderate figure of tonnage should suitably reduce it, and help the really low-tonnage countries like India to increase theirs For the condition of countries such as India standing at the bottom of the list in matters of sea-borne commercial freightage—comprising two per cent of the total foreign commercial freightage—the author of this resolution cared not a jot. Perhaps neither he nor his backers even wished to care.

7 Four other representatives, in addition to Walchand, were appointed to this session Husseinbhoy Lalljee, Mansukhlal Master, C J Gujar and David Erulkar The leadership was entrusted to Walchand

8 This resolution was in the following terms

"The International Chamber of Commerce follows with sympathy the attempt of ship-owners to adjust the supply of tonnage to the demand

Expresses the hope that this attempt will succeed and the belief that the rationalization of tonnage would contribute effectively to the Chamber's programme for restoring the economic conditions of the world"

Walchand was quite unable to sit still To this resolution he proposed an amendment[9] in favour of countries badly off in matters of commercial freightage, and supported it by a speech containing a devastating analysis of the actual situation While clarifying the Indian merchants' stand, he showed the delegates the hollowness of the man Issenden's earlier speech But his words were wasted. On being put to the vote, his amendment was supported only by the Indian delegates, all the rest voting against, and was lost by a crushing margin. Thereupon the main resolution was put to the vote, and opposed by Walchand along with the other Indian delegates The Chamber had wanted this to be passed unanimously, but their wish was frustrated by the opposition of the Indians There were those who could not help noticing that this was due chiefly to the crooked treatment of the Indian shipping merchants by the British shipping merchants Even this much, Walchand consoled himself, was something to the good If one day the attitude towards the victims of injustice such as India should at last change, this would be brought about only by constantly presenting India's case from an independent angle before international assemblies "Till the door opens," he declared, "we have to keep on knocking" This was the approach which he adopted at such meetings

From its inception, the Indian National Steamship Owners' Association began to study each question concerning the Indian shipping industry, under the guidance of Walchand and Mansukhlal Master, in a scientific manner, in a judicial fashion, and with a steady regard for the national welfare, from Government, the nation's representatives, and foreign commercial associations, it began to enjoy a discriminating respect and its work began to be accomplished as required The Association was at great pains to see that the standard of nautical training on the *Dufferin* should be raised, and that Government should take care that expeditious and satisfactory arrangements be made for the young Indian trainees passing out of her, and in this it met with a measure of success

In the beginning the *Dufferin* gave training only for deck officers, having no provision for giving the training in marine engineering

9 An important part of the said amendment runs thus
"The International Chamber of Commerce urges upon the ship-owners to ensure the co-operation of all maritime countries in achieving a satisfactory rationalization of world shipping by providing for all equitable redistribution of world maritime trade consistent with legitimate claims of countries which have been precluded in the past from developing their national shipping adequately to their economic requirements"

which Indian steamships so badly needed The want of Indian marine engineers obliged them to rely on foreign marine engineers For all their eagerness to achieve complete Indianization, they found it impossible At the Association's prodding, Government made arrangements in 1935 at Bombay and Calcutta for higher training in marine engineering

There remained the question of finding employment suitable to their status, on board steamships, for the young men who passed out after completing both the above and the deck officers' course Such were taken on Indian ships, but since the number of these was small, many young men had to face unemployment. The well-nigh one hundred British steamers carrying freight along the Indian coast admitted few young Indians In its first ten years the *Dufferin* turned out 132 young nautical trainees, of whom not more than 32 could find employment on Scindias' and 10 on British ships. The situation was a depressing one, and unless it could be altered, there was a very serious risk that the stream of young men turning to a nautical training would dry up This would have fatal results for the progress of India's Mercantile Marine After INSOA had repeatedly brought this to Government's notice, and put pressure through it on British shipping companies, these were forced to recruit young *Dufferin* traineees on a larger scale

In addition to the above achievement, the Association was responsible for another of very great importance , this was, to inform Government and its allied bodies about the Indian shipping merchants' reaction to the trade agreement made between India and Japan in order to terminate the bitter rivalry started when Japanese steamers began to ply along the Indian coast, to the policy formulated at the Imperial Conference in 1937 regarding carriage by sea within the British Empire, and to the Report published in 1939 by the Imperial Shipping Committee on the British shipping business in Eastern countries, and to keep ever alight within their hearts a sense of responsibility for India's welfare Whenever questions arise concerning the economic condition of seamen and lower deck ratings, or their safety, comfort and happiness, the Association is always ready to come to their rescue Bombay's Indian Sailors' Home is the fruit of the Association's efforts

A Union's strength would be necessary henceforth, while endeavouring to repel the fresh obstacles now being placed in the path of the Indian shipping industry by foreign competition. It was

with this realisation that Walchand reinforced his activities with a Union's added strength, by founding the Indian National Steamship Owners' Association (INSOA) and launched on the task of making it greater and greater.

15.

ENCIRCLED BY WOLVES

THE years 1930 and 1931 in India were full of tumult Following the announcement of the goal of "Complete Independence" at the Lahore Session of the Indian National Congress, the salt satyagraha, forest satyagraha, no-tax campaign, boycott of British goods, picketing of foreign-cloth shops, and similar agitations ushered in an intensification of the political struggle

Government's efforts to suppress this by incarcerating the leaders from Mahatma Gandhi downwards, intensified it still more. The oppressive rulers poured out more and more fresh regulations, which failed to cow down the people and stimulated them to more and more law-breaking The popular slogans of "Down with the oppressive Government" and "We do not recognize British rule, but our Congress rule" were proved in action from the smallest hamlet to the cities. The bludgeons and bullets of the Police were found ineffective "The Congress began to be seen as a second power in India rivalling the British power, an unchallenged power over the people after the breakdown of the might of British rule " When men saw the peacefully conducted breaking of the British Government's laws by the Indian public, and the resolution with which it resisted its oppressors unarmed, they began to feel that the days of British rule were numbered

Two years earlier (1928) in order to see what new reforms in amendment of the 1919 political reforms would satisfy a dissatisfied India, the country had been visited by the Simon Commission For considering its suggested reforms, the British Cabinet finalised the idea of holding a Round Table Conference of British representatives, Indian leaders of British India, and delegates from the States, and the first session was accordingly held in London on November 12, 1930. Observing that the British Government was not prepared to enact immediate legislation giving the promised independence, and

that it was proposing to fob India off with yet another vague instalment of reforms of the Montagu-Chelmsford pattern, Gandhiji and the Congress announced their refusal to co-operate with the Conference. Although invited, they stayed away As directed by the Lahore session, they commenced a freedom struggle, which all the efforts of the Government of India failed to crush. On the contrary, the British Government, noting the intensification of the struggle, and obtaining an idea of the prevailing situation from Lord Irwin and the Indian members attending the first session of the Round Table Conference, slightly modified their policy The British Prime Minister, Ramsay Macdonald, announced that "the responsible government, without which India at present lacks Dominion status, will now be given to her, and she will acquire a status on a par with the Dominions" He also advised Lord Irwin to come to terms with Mahatma Gandhi, leader of a powerful political party in India, and induce him to suspend his non-co-operation struggle and take part in the Round Table Conference.

Irwin acordingly instituted talks with Gandhiji The latter stated that he would attend the Conference only if he was at liberty to acquaint the Conference with his opinion that he was prepared to accept Dominion Status provided that India was given Finance, Defence and Foreign Policy, which are the keystones of independence, and was accorded the right to sever her partnership with Britain whenever she wished On Irwin's assuring him that he would be at liberty to do this, and agreeing to observe his other conditions, Gandhiji consented to attend the second session of the Round Table Conference after taking the permission of the Congress The agreement between Lord Irwin and Gandhiji on these points was reached in Delhi on March 6, 1931 For a time Gandhiji suspended his campaign

Being desirous of seeing whether some advantage could be taken of the changed political atmosphere for the attainment of his goal, Walchand finished his work at the Geneva International Labour Organization's Conference, whither he had gone as a representative of Indian industrial management, and proceeded to London in the second week of May 1931. About that time, Sir George Rennie, who was sympathetic to Walchand's efforts in the matter of his shipping industry, had gone to England for the Round Table Conference With his help, Walchand thought, he might make one more attempt to hold talks with Lord Inchcape and compose the disputes between the B. I and Scindias. Rennie had given a promise to mediate in

the affair. Walchand had written to Rennie[1] that "It is not now a question so much of the development of Indian shipping as it is a question of the preservation of the Indian shipping that exists", and had requested him to make efforts to that end Sir George had replied[2], "I do not anticipate that Lord Inchcape will be ready to discuss the whole question of how the development of an Indian Mercantile Marine is to be secured and I do not think we shall really get to grips with that question until the R T.C. reassembles. I may be wrong about this, however, and if I am, so much the better What I chiefly hope is that we may be able to arrive at some arrangement to stop rate cutting for the next 18 months or so, in order that the position may not be prejudiced pending the R.T.C.'s discussions on the establishment of the new Government. I regard that as very important" And in answer to this, Walchand had written, "With reference to your suggestion that you would like to restrict your discussion to a temporary stoppage of rate wars say for 18 months, I might point out that our present agreement with B I ends in March, 1933 i e about 21 months hence and that the discussion of temporary measure cannot but open up the main issue There are also some other objections to this method, but we might be solely regulated in this by Emperor Inchcape's[3] wishes."[4]

On reaching London, Walchand met Rennie and the two thrashed out what points they should place before Lord Inchcape July 8, 1931 was fixed as the date for meeting the lordling At 3 p m on that day, the meeting took place in His Lordship's office Inchcape had purposely called his son, Viscount Glenapp, Sir John Bell, and his secretary Hamilton to the meeting

Lord Inchcape at that time presented a greatly enfeebled apearance, being in his eightieth year His movements had become slow, his memory was gradually going, and his mind was losing its grip Yet of all this the man seemed to be scarcely aware He kept his hand on the important strings controlling the management of his companies, of which he was president and director of more than forty, and from not one of which had he withdrawn. The shipping industry was then freezing under the chill wind of world-wide economic depression, and the lordling felt no hope that its former

1 Letter to Sir George Rennie, (Bombay, 20-4-1931)
2 Letter from Sir George Rennie, (Edinburgh, 2-6-1931)
3 Walchand used to use the contemptuous terms "His Imperial Majesty" and "The Pirates" for Lord Inchcape and his Company
4 Letter to Rennie, (Geneva, 11-6-1931).

glory would be restored by those who then held the reins of government in Britain He was always heard to grumble that industries in Britain had begun to collapse under the burden of excessive taxation, and would collapse yet further He expressed a boundless contempt for Britain's rampant socialism[5] which inspired movements for nationalizing industry, reducing the hours of work, and granting the government dole as of right for a period of unemployment during which no fresh work was done. "Britain", he used to say, "is on the road to becoming a spendthrift." He hotly attacked the workers' mentality of doing as little work for as much pay as possible After collecting enormous taxes from industrialists, instead of applying these sums to the reduction of the national debt, he accused Government of using them to fill idle and useless bellies ; Britain, he would bitterly exclaim, had lost its head on a nation-wide scale

The political situation in India made him angry with the rulers It was all due, he would say, to Lord Irwin's gutlessness He disapproved of the Round Table Conference and its discussion of new political rights for India, as he had stated in a leaflet which he published He was even more bitterly opposed to this matter than Curzon, Churchill and Amery His nature was incapable of adjusting itself to the march of Time The new generation, he thought, was on a wrong track ; and this brought a noticeable sharpness into his utterances His looks were sullen and angry It had become difficult to tell him anything contrary to his views If he made an incorrect statement, even his colleagues dared not correct him When Lord Inchcape was in such a terrible and uncontrollable frame of mind Sir George Rennie and Walchand commenced their talk that day

Sir George Rennie began with an account of the Government of India's attitude to the shipping industry in India He said, "Looking at the present situation, the Government of India desires that the Indian shipping industry should grow with a growing good will and co-operation as regards the British merchants They want no clashes They would like things to be settled by compromise and reciprocal sweetness From the time of the shipping merchants' meeting held in 1930 under the Chairmanship of Lord Irwin, the

5 In the course of his speech as Chairman of the P & O Company's annual meeting in 1930, Lord Inchcape said —
"You have it said 'Down with the Capitalists', but who is to take their place ? Are all industries to be killed ? Is private enterprise to go ? Are all the banks, insurance companies, factories, railways, steel works, coal mines, ship building yards, shipping, shops and stores to be expropriated and run by Government officials ? The whole thing is moonshine "

—'James Lyle Mackay,' by Hector Bolitho, p 241

Government of India has been considering whether some plan can be formulated by common agreement in this matter. It wants to have your co-operation therein "

On hearing Rennie's words, Inchcape pulled out the 1923 agreement between the B.I. and Scindias, and began to read it out word by word, not omitting even a single "whereas" or "whereby". When he had finished reading, the fellow said, "If this agreement had been faithfully acted upon, both parties would have been happy, both would have made money ; but the Scindia Company does not honour it I understand that on the Karachi-Tuticorin route the Scindia Company privately gives merchants a discount on the freight rates " Inchcape repeated this statement again and again, and went on to say, "If you turn to me and my Calcutta associates, they and I have faithfully honoured the agreement. When my organization roughs out an agreement—doesn't matter whether it's with Scindias or any other company—there have never been any secret rebates or discounts given For the present, let the agreement be faithfully honoured until it lapses—that will be in 1932 After that, when we make a fresh agreement, we can have a fresh thinking about everything "

At this point, his secretary Hamilton said, "The agreement doesn't end in 1932, but in 1933" But old Inchcape ignored the correction and obstinately repeated "1932". Twice Hamilton and Sir John Bell suggested "Not 1932 ; 1933", but the fellow took no notice of them and kept on quoting "1932". This showed the old man's obstinacy as well as the softening of his brain due to age

Without allowing him to speak further, Sir George Rennie took up the thread and said, "Have it your own way, but the Government of India has firmly taken the view that, either this way or that way, the Indian shipping industry must expand As to which way it should be, we here must do the main thinking Today, financial stringency prevents Government from adopting certain ways which have suggested themselves, but some other way must necessarily be found out, by which the Indian shipping business will expand and grow And here we expect to get guidance from you "

The lordling harked back to his old plea · "the agreement should be faithfully honoured, that will be for the good of both parties." Time and again he returned to the old refrain This induced Walchand to observe, "There is no point in our sitting and arguing whether our Scindia Company has faithfully honoured the agreement or not, whether it has secretly given merchants rebates and discounts

or not. My Company has faithfully honoured the agreement; it has not given one pie by way of rebate or discount. If anybody has failed to honour it, it is His Lordship's associates and no one else. It is they who have secretly given rebate and discount. However, I do not think any purpose will be served by bandying about charges and counter-charges Let the past be buried For the present, let us think what to do and how to act for the future My experience of the last eight years is that we have not realised the profit which should fairly have come to us For this we have to thank this faulty and one-sided agreement If Sir George Rennie is right in saying that Government wants the Indian shipping industry to expand, then the number of steamers under Indian ownership and Indian management must be increased And along with that, the number of foreign ships must come down Today there are more B I ships plying along the Indian coast than are needed These must first be curtailed. Month after month, even though full cargoes are not available, simply with the deliberate policy of starving out the Indian steamship companies and not allowing them to get sufficient cargoes, they are being run today even at a loss If the Government of India intends to see its desire fulfilled, it must first make the B I cut down the number of its ships, and stop this system of deliberately running at a loss"

Sir George Rennie associated himself with Walchand's words Seeing this, the aged Inchcape growled "It comes to this, that the B I should get out of the shipping industry. This shall never be. I will not for one moment agree to the thing If Sir George Rennie is going to get the Indian coast 'reserved' by law, then I shall have to find Indian shareholders, put up capital in Indian rupees, and register a separate steamship company in India itself, to carry on business in India If I do this, don't forget that it will be harder than ever for any Indian company—be it Scindias or some other Indian Company—to fight my new company"

Walchand set out his case in plain terms. "Your Lordship is under a misapprehension. Allow me, old man, to clarify my part In order to ease the present pressure a little on our unsatisfactory situation, we expect—temporarily, I dare say—some assistance. We don't ask much When I say that the number of ships should be controlled, that the carrying of freight should be fairly apportioned, and that one single company should not berth its ships at the dock-side week after week without loading, my object is that the B. I, Scindias and the merchant class should all be benefited. To delay

ships from putting to sea, loading and unloading, to despatch them many times empty or not fully laden, is harmful to shipping companies and shippers alike ; it will benefit nobody. On the contrary, by such mulishness they cause each other increasing loss I have come to feel that this need not be—nay, must not be. We should understand one another, and do our business with consideration for one another's convenience ; I have been saying this all along But if this is to be, the B I must make room for increasing the number of Indian steamers Without doing this, the loss which I have referred to will not be prevented The expansion of the Indian Mercantile Marine, however keen Government is upon it, will not be able to be satisfactorily achieved."

Back went the lordling to his old refrain When they saw this, Sir George Rennie and Walchand felt that it would be better not to provoke the old man to speak and excite him further Walchand therefore began to talk about his suggestions for some temporary help To this, Inchcape replied, "I tell you what whatever you have to propose, put it in the form of a memo I'll send it to Calcutta and get the views of the people there, and then let you know my decision."

At these words Sir George Rennie told Inchcape for the third time, very clearly and firmly about the Government of India's policy on the scheme for giving permanent shape to the Indian Mercantile Marine. His words irritated the noble lord into saying "I am telling you again clearly that, come what may, we will not quit the coast of India and we will not cut down the B. I tonnage."

"Suppose", asked Rennie, "an offer is made to purchase B.I tonnage, would you consider it ? Considering the present financial position of the Government of India, there is no likehood of this coming up in the near future But I put this question as a continuation of what was discussed at the shipping conference "

"Yes", replied the lordling "If a reasonable offer is made I may consider it Why only the tonnage ? We have tea, jute, coal and other interests in India ; is your Government prepared to make an offer for all of them ?"

Rennie's query had referred to a proposal made by Walchand at the shipping merchants' meeting held by Lord Irwin in 1930, viz., that if Government wanted to establish the Indian Mercantile Marine on sure foundations in India, it should put up a capital of about ten crores and sell the steamers of foreign companies—especially the B I and the Asiatic—to Indian traders on easy instalments

After hearing Inchcape's reply, Walchand immediately asked, "Are we to understand that after selling your steamers, you will not fetch new ships and ply them along the coast of India ?"

The old fogey flared right up, exclaiming "Go and ask that autocrat of yours !" (i.e. the Viceroy Irwin) "or that father of his who so admires his performance They'll give the answer !"

The lordling did not approve of Irwin's India policy, which he invariably dismissed as "gutless, feeble and a menace to the power of Empire". Of Irwin he would speak in highly contemptuous terms. This last exclamation of his had been an eruption of the same contempt Walchand and Sir George Rennie noted this, and were thinking of dropping the subject at once and starting a discussion of temporary measures, when suddenly Inchcape sprang up from his seat and in a rude voice declared, "That's enough ! I don't wish to say anything further " Collecting his papers from the table, he started to walk away

Sir George Rennie and Walchand were aghast Inchcape's eccentric behaviour, they felt, constituted a breach of good manners It was half past three, and what an important and vital question was still before them ! Yet the old fogey refused to sit for more than half an hour, leaving thus undecided the one question which they had brought up !

As Lord Inchcape began to walk out, Walchand asked, "It seems you have no time, Sir. In that case, will it do if we continue this discussion with your Sir John Bell ?"

"I don't want anything As I told you people just now, put whatever you have to say in writing I'll send it to Calcutta and get the remarks of the people there, and make up my mind " With these words, and without even the courtesy of saying goodbye, the old fogey left the meeting His behaviour left Sir George Rennie and Walchand speechless. It had been an extraordinary experience

The two men rose and adjourned to a restaurant for tea As they drank their tea, each described to the other his reactions to the conversation at the meeting after which they began to discuss what should be their future policy

"That old chap" said Rennie, tea over, "is extremely peculiar, eccentric and pig-headed He doesn't care for anybody As for Lord Irwin, he utterly despises him He treats even him in the same abrupt and ignominious way, so what price you and me ? There were moments at this meeting of ours, when there was a risk of an explosion, with your answering the old chap back as you felt, in the

same tone he was using. But I was relieved to see that you kept an iron grip on yourself. Now, let's follow up the thread of your 'talking of temporary measures'; as soon as we get back to India, let us meet his Sir Philip Brown and other people in Calcutta, and act in the light of what they say Let us try along those lines." Rennie's words reassured and heartened Walchand.

"Right you are I am most grateful to you for this reassurance I am convinced that you will definitely arrange some compromise or other" Walchand pressed Rennie's hand affectionately.

"Thank you", smiled Rennie, as he donned his hat "I am truly happy to see that you have such confidence in me" And wishing each other Goodnight, they went their ways.

One evening (July 14, 1931) a week after meeting Lord Inchcape, Walchand called on the Secretary of State for India, Captain Wedgwood Benn He was very cordial. He began by asking for Walchand's impressions regarding Geneva.

"Generally speaking from an Indian Employer's viewpoint, it is not in the interests of the Indian employers to continue," said Walchand, "to be associated with Geneva for various reasons The general atmosphere there does not seem to me to be in favour of protecting the owner's interests For my part, many things incline me to the view that it is better for the representatives neither of the Indian owners nor workers to attend their conferences henceforth" Mr. Walchand then gave Benn his detailed reasons for feeling as he did[6] He then proceeded to say, "Never mind that Today I have

6 On his return to India after attending the fifteenth conference of the International Labour Organization, he made a speech at a quarterly meeting of the Maharashtra Chamber of Commerce, Bombay on August 15, 1931 We obtain a glimpse of his views from the remarks which he made about the Conference in the course of his speech Walchand's remarks were as follows

As to whether it is really to our advantage to take part in this International Labour Conference, at such a cost each year I have, as a result of what I have observed, become sceptical Each year we have to contribute £ 58,000 to Geneva Considering this, and all the expenses of the delegates going from here to the League of Nations sittings and of the representatives of Government, workers, employers, et cetera attending the International Labour Conference, I do not see any great gain to our country from this business It is necessary for us to give due and careful thought to all these questions With all the amount India spends on the Governing Council of the League of Nations, or on official posts in these bodies, it would be fair to say that she occupies practically no position of importance there

Another thing which I clearly noticed is this, that virtually all the questions which arise there and the discussions upon them, are all looked at from the viewpoint of benefiting the European countries What the industrially advanced countries of Europe want is this, that those Asiatic countries from which they formerly used to import their goods very nicely, should be made to spend money for numerous benefits and conveniences for the workers just as European countries do, so that they would not be able to compete with the European industries Because the basic object of this association, created under the Treaty of Versailles, is that working men everywhere should be

not called upon you to discuss anything about Geneva. I want to talk to you a little about the future of the Indian shipping industry "

"By all means", replied Benn, dropping the subject of the International Labour Organization Whereupon Walchand told him the whole story, from the establishment of the Indian Mercantile Marine Committee up to Haji's Coastal Reservation Bill, together with the periodic opposition to this among the official bloc as well as the Indian and British mercantile circles. He also said, "If Government seriously wants the Indian shipping industry to stand on a sure foundation and expand, then it must do one of three things either approve Haji's Bill and pass it into law, or make the B I reduce the number of its ships, give Indian companies freedom to increase the number of their ships, and remove the obstacles in the way of their expanding the field of their activities Otherwise, Government's good wishes will be shown to be so many empty words For all the concrete good those will do, Indian shipping merchants will deem them worthless "

Wedgwood Benn jotted down Walchand's three suggestions and said, "I will remember all you've said, and consider what it will be possible for me to do "

After this, the two had a brief talk about current Indian politics

given a uniform living standard as high as possible In this way, as England's National Association of Manufacturers has plainly stated, the industrially leading countries will have, if possible, to soften the present competition in world trade and will get more profit

The Asian countries are far away beyond the seven seas, and so their representatives often cannot go there in sufficient numbers, and so at the time of counting votes, their power is inferior to that of the European countries, and they find no alternative but to nod their heads against their will, it may be to decisions made by the European countries' majority of representatives, and they have to accept the extra expense demanded by resolutions which were passed on a consideration of the living standards of European workers, and meekly carry it out Indeed, the financial implications of the resolutions passed at the Geneva International Labour Conference are very far-reaching and comprehensive, and so the representatives of many nations are always trying many ways of dodging, and altogether the atmosphere there is one of suspicion

It seems to me that for the above reasons the Indian employer class will not much longer be able to fool around in this Geneva muddle Let no one conclude from this however, that I am against raising the condition of the working class We must certainly raise the working class s condition by every possible means, but we must raise it according to our financial capacity and bearing in mind our Indian conditions and climate The living standards which we commonly find among European workers are not such as to serve us in our circumstances here

It is feasible for us to appoint a permanent representative at Geneva to take advantage of the discussions and resolutions passed at this International Conference and to make a close study of everything there, he would observe all matters and inform us of them here, and India could make such changes in such matters as might be necessary What I mean is simply this, that we must first of all make our economic position sound, and first we need an opportunity of making it so And while doing this, our hands must not be tied by resolutions passed by people whose eyes were fixed on European conditions and the living standards of Europe's working class

Benn obviously had great enthusiasm for the Round Table Conference Walchand quoted Churchill's anti-Indian views and the many newspapers, like the *Morning Post* and the *Daily Mail*, which supported him. He said, "If this is the British public's attitude towards India, the discussion at this Round Table Conference will prove to be just idle chatter I do not think anything progressive and constructive will come out of it You must have read Lord Inchcape's speech at the meeting of the P. & O Banking Corporation shareholders the other day He gave a long rigmarole of Churchill's reactionary and imperialistic, outworn and narrow views"

"I have not read Lord Inchcape's speech," replied Benn, "but in the Lobby a gentleman gave me an outline of it We do not attach much importance to his views, nor to Churchill's either. Do not assume that the way they think is the way most Britishers think The best course is to ignore it"

In October 1931 Sir George Rennie and Walchand returned to India Sir George kept his promise to Walchand and met Sir Philip Brown, who was Inchcape's chief representative in Calcutta; he strongly urged that the B I should show amity and co-operation and cease to trouble the Scindia Company by rate-cutting and other underhand weapons, but he met with no success On March 22, 1932 Brown plainly wrote to Rennie that "looking to the good of the B I, we cannot concur in Mr Walchand Hirachand's proposals and policies, nor associate ourselves with them In view of the way in which his Company is taking advantage of the current boycott agitation in India, it is utterly out of the question for us to modify our policy and come to an understanding with him" So perished Rennie's hope that he might effect at least a temporary compromise between the B I and Scindias

In Britain, no less than in India, a wind of change was blowing at this time In England, by October 1931 the Labour Cabinet was finding it impossible to cope with the daily deteriorating economic situation It resigned, and a coalition National Government took over Ramsay Macdonald, although elected Prime Minister, had not much backing from the Labour Party He had to dance to the tune of the Tory majority In Parliament, Labour was in a minority, and weakened. With the resignation of the old Cabinet, the former Labour Secretary of State for India, Wedgwood Benn, was replaced by Sir Samuel Hoare As Viceroy of India, Lord Irwin retired, and in his place Delhi saw the installation of one who hated the national movement, Lord Willingdon

This new Viceroy possessed not one iota of the man Irwin's innate attitude of sympathy towards India He entered on his labours with the determination to emasculate, by fair means or foul, the power of the Indian National Congress which was challenging the might of Britain Until the second Round Table Conference was over, he did not show his claws But when Gandhiji, seeing that the British Cabinet was not willing to hand over the key portfolios of Defence and Foreign Affairs to a popularly elected Indian Government, cried "In these conditions I do not wish to sell my country for a song and strike a bargain with you," and left the Conference, the fellow commenced inhuman oppression in order to destroy Gandhiji and the Congress, as whose sole representative he had attended the Conference, root and branch This persecution not only failed to crush the Indian people's longing to drive out the British and be free, but gave it a sharper edge It inspired the Indian public with a desire, even at the cost of their own loss, to boycott British merchandise and commercial bodies. As a result of this, despite a cut in rates and the promise of many private concessions, Indian merchants refused to despatch their goods on steamers plying on the Karachi-Rangoon run In particular, the Bombay rice traders continued to bring their rice from Rangoon only in the Scindia Company's ships

This put the B I's Calcutta directors in a rage, and they encircled the Scindia Company like wolves So far from thinking of any compromise, they appeared to have taken a vow to wear Walchand and Scindias down And with the replacement of a generous-minded Viceroy like Lord Irwin by an enemy of Indian freedom like Lord Willingdon, their nature grew still more reckless

16.

A NEW TRIPARTITE AGREEMENT ON CARRIAGE BY SEA

THE wheels had begun to roll backwards. Those through whose sympathy Walchand had hoped to achieve his objective—Lord Irwin, Captain Wedgwood Benn, Sir George Rennie, and others—had laid down office But that trier and doer Walchand was not one whit dismayed Experience had amply qualified him in the science of fighting a fight In many a crisis he could discern his opponent's feints and moves in time, and he intuitively knew how to checkmate them This intuition guided him on his new course.

On reaching India, Lord Willingdon formed his new Executive Council Included in this Council was Sir Joseph Bhore, who took over the two portfolios of Commerce and Railways which had been held by Sir George Rennie Sir Joseph was an Indian Civil Servant, and the first Indian Christian to enjoy the distinction of becoming head of this Department. He was known as an upright man, impartial and of a generous patriotism He capably retained his influence with both Government and the Indian leaders, and had moreover won the confidence of both.

On handing over charge to Sir Joseph Bhore, Sir George Rennie gave him full information about Walchand's matter He added, "An Indian Commerce Member like you will be more useful to Walchand in this business than I am. My people take me for a renegade . they call me a traitor to my own kind. As a result, all my impartial efforts to do something for their ultimate good and the benefit of the people of India are found to be useless One more thing is this, I have to watch my step all the time These are people among whom I have to live and one day die Naturally, the scope of my efforts is limited too. An Indian Commerce Member like you has no need to observe these limits" It was Sir Joseph Bhore himself who one day later repeated these words to Walchand

Sir George Rennie had done his best to bring about some pleasant

change in the B I.'s behaviour, but his reasonableness could achieve nothing with the implacable Lord Inchcape. Even though Rennie's efforts met with no success, Walchand never forgot the help which he had given and the sympathy he had shown For Rennie, Mr Walchand felt a lasting respect and affection On each trip to England he made a point of meeting him ; while he on his part, however busy he might be, he would thrust his work aside and receive Walchand, and give top priority to any work that he might have He respected and admired Walchand's pleasant manners, sincerity, patriotism, studied attention to his work, and faithfulness to his ideals In very few Indian industrialists, he would say, were such virtues found to co-exist. In view of the Government of India's commercial policy, Walchand had had many differences with him, but these never spoiled their mutual friendship Along with Rennie, Walchand was on terms of friendship with a number of highly placed British officials With these also, occasions arose for disputes on petty points, but they never allowed these to have an undesirable effect upon their personal relations. The consequence was that in spite of being a sharp critic of Government, Walchand was often able to enlist the help of Government officials in his work

As soon as Sir Joseph Bhore took charge as head of the Government of India's Commerce Department, Walchand sent Mansukhlal Master to Simla to call upon him Master accordingly met him on June 12, 1931, and correctly explained to him the question of the Indian shipping industry—especially the Scindia Company—from beginning to end. Said Sir Joseph, "I am against hereditary rights, whether they belong to Britishers or to Indians And so a Reservation of Indian Coastal Traffic Bill, which proposes reserving the Indian coast for Indian steamer companies, gets as little sympathy from me as it does from Government"

To this Master replied . "Practically all countries engaged in the shipping industry have already accepted the principle of this Bill Your statement that the Bill is likely to confer an exclusive hereditary right to transport along the Indian coast upon Indian shipping merchants, is not quite correct Provision will be made for foreign steamers, along with Indian, to ply on the coast of India , but it will be as a 'favour', not as a 'right'. For this, specific proportions of ships and cargoes to be carried will be laid down For the last fifty years, it is the B I. alone which has enjoyed the hereditary right to our coast On the Indian coastal trade this has exercised a pernicious effect, which the entry of Scindias into the transport field

had done something to reduce Many entrepreneurs have begun to find scope for expanding their businesses. Those who formerly were incapable of expanding and developing their businesses because the B I.'s high rates were beyond their means, have now found themselves in a position to do so I will give you, Sir, one or two examples.

"The Tata Company was to supply rails for the Burma Railway. For shipping these from Calcutta to Rangoon, the B I demanded a rate of forty rupees per ton. At this very time, a rate of fourteen rupees, or even less, per ton was fixed as the freight charges for shipping the very same type of rails from Belgium to Rangoon Thanks to the high rates demanded by the B I, Tatas were unable at that time to supply their rails to the Railway Company But afterwards the Scindia Company carried the Tata rails at a charge of fourteen rupees per ton For shipping cotton from Tuticorin to Bombay, the B I used to make charges of Rs. 24 per ton, but when Scindias appeared on the scene they came down to Rs 12 The lowering of charges has now made it possible for merchants on the coast of India to send goods to distant markets, sell them at competitive rates, and increase their business Your fear that the Coastal Traffic Reservation Bill will create a hereditary right, is not justified On the contrary, the hereditary rights of organizations like the B I, which obstruct the progress of the Indian trader, will be ended, many Indian steamship companies will arise, and not only will the Indian Mercantile Marine attain its expected development, but at the same time Indian industries and trade will grow, and thus the country's economy will go forward"

To these words of Master's, Sir Joseph was listening with the keenest attention, and he put to the former a number of detailed questions Certain losses in the shipping business which at first he could not fully understand, he got Master to explain, and gave himself an idea of which were the crucial points in the B I-Scindia matter About this time, a string of disputes had cropped up, just as in the case of Scindias, between the B.I and the Bengal Burma Steam Navigation Company, which Abdul Bari Choudhary had established in 1928 for carrying goods and passengers between Rangoon and Chittagong, and Sir Joseph questioned Master about this The B I. had commenced plans for expelling this Company, just like the Scindia Company, from the freight business, and had brought it to its knees.

"The B I" Master told him, "is going to swallow up that Com-

pany just like ours By bringing its rates down from Rs. 16 to Rs. 4, it has brought it to its last gasp. When this question came up at the Shipping Conference held by Viceroy Irwin, a B.I. executive—one Mr. Fife—answered, 'We will go on fighting that Company. It wants to share the carrying of mails with us, which we will never allow it to do' This instance will give you, Sir, an idea of the deadly behaviour of the B I towards Indian companies"

"How extraordinary!" cried Sir Joseph "But does your Company at least get the carrying of the mails, or no ?"

"Nothing of the sort! The B I saw to that long ago. It has put in our agreement a restriction on our carrying passengers or mails."

"This agreement expires—when ?"

"At the beginning of 1933"

"I see. . . . Government's agreement with the B I for carrying the mails expires—?"

"Some time in 1934"

"All right I'll see what I can do in this matter I have this Department also The business of carrying the mails must go to Indian Companies."

"But so long as we are not free to carry passengers, it will not be possible to take up the carrying of mails The speed of a cargo steamer is slower than a passenger liner's; it takes its time to reach port If we are to do mail-carrying, we must get freedom to carry passengers When Inchcape was here for the Retrenchment Committee's work, he secured the mail contract for the B I For this work, the B I gets five lakhs of rupees a year out of the Government of India. If an Indian company like ours had got it, what a help[1] it would have been in our present desperate situation!"

Sir Joseph heard Master's words with stupefaction His serious

1 The Government of every country doing overseas transport helps its Mercantile Marine in all sorts of ways, direct and indirect, to achieve financial stability One of these ways is to give a contract for carrying the mails to and fro In Britain, the British by giving mail contracts

While reviewing Howard Robinson's book "Carrying British Mails Overseas", the critic of London's weekly *The Economist* writes in the issue of November 21, 1934

"The lions of our liner trades were nurtured throughout their formative years by Government postal subsidies This money was paid out in the form of contracts between the Government and the shipowners for the carriage of mail on what subsequently became the main trade routes of Britain to the rest of the world British merchant shipping policy administered through the mail contracts clearly set the precedent which American and other nations are now following"

The above policy brought help to British steamship companies but never to the Scindia Company The contract for carrying the mails from India to outside countries, and from them to India, was all along enjoyed exclusively by the British P & O Company

face seemed to suggest that he was thinking "What appalling favouritism !" After a while he gave expression to his feeling in this matter. He said, "As an Indian I feel humiliated when I find that there is no Indian shipping in our waters. A man like me always feels proud that companies like Scindias have come forward to take away that humiliation Later, I shall need a lot more information about this topic, and I hope you will give it to me without reserve. If at any time in the future any crucial situation arose, you should not hesitate at all in writing to me and acquainting me with the facts of the case, so that I can do all I can to help the cause"

The two had talked for an hour or an hour and a quarter—a talk which had brought light into many dark corners. Sir Joseph's mind, with its sense of patriotic duty, was already wondering how he could bring about a change in the existing state of affairs. The shrewd Mansukhlal Master was instantly aware of this It would be advisable, he felt, to say Goodbye to Sir Joseph leaving him to these thoughts, and so he very wisely excused himself.

Master immediately (15 6 1931) wrote to Narottam Morarjee's son Kakushet alias Shantikumar, giving a detailed account of this interview He sent a copy of the letter to Walchand, adding at the foot "I must say he was very sympathetic. (Of course sympathy does not bring dividend unless translated into action). He evinced very keen interest and you will permit me to say that this talk has clarified his thoughts on this subject and gave him ample food for consideration"

Walchand sensed that the wind had turned slightly in his favour He hoisted sail, and the ship darted forward "Let her reach the longed-for shore when she will", he thought "Meanwhile a somewhat favourable breeze has sprung up. Let us take advantage of it, and make the best progress we can!" As he also realised, there was no knowing when the wind would drop and the ship lose way Should it drop, and the sails have to be furled, he was resolved to take to the oars and row on as best he could.

After his meeting with Sir Joseph Bhore, Master called on Lord Willingdon, June 15, 1931 He had an hour's discussion with his lordship on the nautical training on the *Dufferin* and international trade, as well as the Indian shipping industry. The Viceroy assured Master that he would personally look into the matters of Scindias and the Indian shipping industry, and asked him to prepare and send him a Note. As requested, Master sent this to him after he had left Simla for Gulmarg in Kashmir, on June 25, 1931.

Through Sir George Rennie, Lord Willingdon had once before taken up the question of the Scindia Company with Inchcape, but the lordling refused to consider it, and pointed towards Calcutta Yet letters sent to Calcutta, even with frequent reminders, received no reply Even if some sort of reply did come after three or four months, it would be extremely abrupt and indifferent

After Master had had interviews with Viceroy Lord Willingdon and Commerce Member Sir Joseph Bhore, and had given them a correct and authoritative picture, through correspondence, of the Scindia Company as well as the current situation in the Indian shipping industry, Walchand himself went to Simla in the summer of 1932. He was coming and going there almost for one month After detailed discussions complete with figures as to what should be the shape of the future agreement between the B I and Scindias, he got a draft prepared by Master and laid it before Sir Joseph Bhore Master had gone into the minutest details, consulted a couple of knowledgeable sources, and drawn it up in a watertight fashion which left the opponents no loop-hole Its every clause was framed with relevant figures, after bearing in mind the present situation and the future one Master with his wealth of assiduity, observation and experience, had written it after carefully weighing every word, in order that it might satisfy a critic of Sir Joseph Bhore's calibre And in support of the policy underlying it, he added ample evidence to carry conviction

Sir Joseph Bhore, after studying the draft of the agreement and its attached documents, held a discussion with Willingdon and made him favourably disposed towards the matter After thinking it over, he started talks on the official level with the management of the B I These managers, after their usual fashion, began to play for time They did not even scruple, in reply to a letter from Sir Joseph Bhore, to send a rude refusal Their letter contained downright abuse of the Scindia Company, namely "No useful purpose can be served by discussing the matter Scindia people are to be mistrusted "[2] When Lord Willingdon read this letter, he became very angry,[3] and later he hauled them over the coals for it

2 Extract from letter sent from Simla by Walchand to Master on 20 5 1932

3 Walchand wrote to Master 'While talking today to Sir Frank Noyce (Industries and Labour Member) generally, I referred to shipping, when he said H E spoke to him yesterday about B I's rude reply to Commerce Member and that he (H E) was going to speak strongly to B I when they come to Simla Noyce agreed personally that B I were wrong and his sympathies were with Scindias '

—Hotel Cecil, Simla, May 21 1932

When the B I managers saw that Willingdon himself was looking into the matter, they were obliged to give up their dilatory tactics and consent to discuss the clauses of the agreement. Sir Joseph Bhore had them in his grip He was to go to London in June for the work of the Round Table Conference, and on going there he met the B I directors and insisted on their coming to terms in one way or another While so insisting, Sir Joseph heard a call to duty in words which had been uttered by Sir George Rennie at the Legislative Council's session of September 1929, namely, "It may perhaps turn out that to arrange a compromise acceptable to both sides will be impossible If this is so, it will be necessary for Government to think seriously by what means it can remove the obstacles in the path of the Indian shipping industry's expansion" It had now fallen to Sir Joseph to set out on the search for those means

By now the hand of Time had removed the boulder which had always lain athwart the path to compromise Lord Inchcape had gone on a pleasure cruise to Monaco aboard his yacht *Rover* One day, he was just planning to lie down on his bunk for a siesta after the midday meal, when his heart suddenly stopped, and he passed away on May 23, 1932 Even though Lord Inchcape's passing did not mean that his Company's opposition to the Indian shipping industry was a thing of the past, still it could no longer maintain its former acerbity

When Walchand learned that Sir Joseph Bhore was going to London, where he would hold direct talks with the B I managers about the Scindia Company's affairs, he too decided to go there He kept the proposed trip a secret, not taking with him this time even his wife Kasturbai, whom he always used to take along On June 13, 1932 he sailed for London, which he reached at the end of the month In London and Europe he stayed for two months

Through the mediation of Lord Willingdon and Sir Joseph Bhore, talks went on for several months both in London and on his return to India, and in 1933 (1 April) a new agreement was drawn up between the British India Steam Navigation Company, the Asiatic Steam Navigation Company, and the Scindia Steam Navigation Company While not wholly satisfactory, this did offer the Scindia Company a new opportunity to achieve stability and to expand its business by adding to its ships This agreement allowed Scindias to increase their ships up to 1,00,000 tons, in place of the former 64,000 tons (14 ships), it gave them liberty to carry passengers on two out of four routes between India and Burma; and it pre-

scribed the quantities of cargo which might be loaded on their ships by the B I, the Asiatic, and the Scindias at the important ports The Scindias were however debarred from all seas except the Indian Ocean.

Actually, the Company had wanted the other seas to be open to it, but this would involve upsetting the British ship-owners, which the Government of India did not want But Walchand's policy was to knock down whatever fruit was within reach without straining things too far, and then to keep on trying for more ; and so he signed this new tripartite agreement The agreement gave the Indian shipping industry a fresh start.

17.

ATTEMPTS EXPANSION OF THE MERCANTILE MARINE

THE new tripartite agreement no doubt brought an end to many of the disputes between the B I and the Scindia Company, and created an atmosphere favourable to the increase of traffic along the coast of India and to the stabilization of Scindias; and yet Walchand's ambition of sailing his steamers to lands beyond the Indian Ocean remained unfulfilled The hopes with which he had entered the field of shipping with the purchase of the *Loyalty,* fourteen years ago, had never flowered through all these years, and this was a perpetual regret to him The sailing of his ships between India and Europe, he had intended, would to some extent reduce his country's dependence on foreigners, and when in 1926 he saw no signs of attaining this object soon, he was constrained to withdraw his steamer *Loyalty*[1] Eventually he had to sell her for scrap value[2]

The 1933 tripartite agreement debarred the Scindia Company from carrying between India and Europe It was to last for seven years, and until this period should expire, there was nothing the Company could do about it This fact prompted Walchand to start thinking about setting up an independent steamship company to carry passengers between India and Europe After consulting his own associates and a few capitalists, he drew up a scheme[3] in 1935 to found a company called the Hind Lines, with an authorized capital of ten crores, and to assign the managing agency to the Scindia Company, and he deposited the Memorandum of Association with

1 Original cost, Rs 25 lakhs Cost of repairs, Rs 10,49,653/-
2 After completing the sale he got only Rs 1,35,250/- Reference Statement giving particulars of the original cost, the present book value, the depreciation allowed by the Income Tax authorities over all the ships of the Company from the beginning of the Company till 30th June 1938
3 On the proposed Managing Board of the Hind Lines we find the names of the following industrialists
(1) Walchand Hirachand (2) Ghanshyamdas Birla (3) Sir Badridas Goenka (4) Kasturbhai Lalbhai (5) Sir Prabhashankar Pattani (6) Shantikumar Morarjee

the Registrar of Companies on September 9, 1936 If this Company should come into being, the Scindia Company undertook to purchase shares worth Rs 25 lakhs.

The Hind Lines, Walchand decided, should start with two ships modelled on the Italian ship *M V Vittoria* of the Lloyd Triestino, fitted with every comfort and convenience, and having a speed of 23 to 24 knots[4] with fortnightly sailings He estimated that their construction, and other expenses up to the time of their becoming operational, would require a capital of two crores and twenty lakhs

The yearly number of passengers going from India to Europe for trade and business, education, pleasure, etc, from Bombay to London and London to Bombay, was at this time about 52,000 and the number was on the increase This meant a profit of at least twenty crores easily for the foreign steamship companies If, thought Walchand, a ten per cent share of this profit could go to an Indian company like the Hind Lines, what a help it would prove for the growth of the Indian shipping industry ! The Government of India had a rule that Government servants going to England on leave, or persons travelling at Government expense for official business or for attending international conferences, must proceed on the ships of Empire (which meant British) companies For journeys made under this rule, the Indian treasury paid out more than fifty lakhs a year If this rule, Walchand also suggested, were to be so amended as to read "such persons must proceed on the ships of Indian companies", it would be a sort of direct help to companies like Hind Lines

And so he finalised his scheme and laid it before Sir Percy James Grigg, head of Government's Finance Department, on October 20, 1935 If such a scheme should become effective, he was convinced that the new steamship company would make a definite profit He had attached figures of profit and loss to his scheme statement, these indicated that the Company would make a net profit of as much as Rs 6,73,000/- a year, and would be in a position to pay its shareholders regular dividends

Here one circumstance deserves to be remembered While drawing up his scheme for this new steamship company, Walchand asked for information to guide him from foreign steamship companies The British companies of the P & O and B I flatly refused to give him any kind of assistance in the matter, whereas on the

4 'Knot' means a nautical mile of 6 080 feet Usually the voyage from Bombay to Marseilles took 14 days Walchand undertook that the Hind Lines could complete it in nine days

contrary, the Italian Lloyd Triestino supplied him with all the information he wanted, and allowed him to take the benefit of their technical advice. Walchand, while giving evidence before the Imperial Shipping Committee held at London on June 4, 1937, had stated this fact with gratitude. He said: "The Italians have when approached said, 'as soon as you develop further, come to us and we will arrive at some agreement' They did not tell me definitely, but they talked of co-operation, and they talked of help They went through all my estimates page by page."

If, thought Walchand, Government would reassure the public by guaranteeing a return of 3½ per cent on share capital, the capital required for establishing the Hind Lines Company would easily be forthcoming He therefore requested Government to encourage this new venture of his by giving a ten-year guarantee A similar guarantee had been given to the public by the Government of India in the past, for British companies, when railways were being first started in India These British companies had sunk a capital of twenty-two and a half crores of pounds in taking up the railway work, and this had been considered as a thirty-year loan to India at five per cent interest In the case of loss, the Company was not at risk It was provided that, come gain come loss, Government must pay interest at five per cent Up to 1900, the Indian Railways were running at a loss[5] Up to this date the laying of the tracks had cost twenty-two crores fifty lakhs of pounds, on this, so far from there being a profit, there had been a loss of four crores of pounds, the burden of which had fallen on the Indian treasury

Walchand's request was that Government should give the Scindia Company, for overseas carriage by ship, the same sort of help it had given British companies at the time of building the railways But the present official in charge of the Finance Department, Sir James Grigg, put forward one reason or another for refusing to consider it

At this time the Swaraj Party held a majority in the Central Legislature One of its efficient leaders, Govind Vallabh Pant, took up Walchand's scheme and brought a resolution in the Council to the effect that Government should encourage a company, such as the

5 On page 312 of his 'Economic History of British India' the famous economist Romesh Chandra Dutt says "So great was the influence of British traders on the Indian administration that the Indian Government guaranteed a rate of interest out of the Indian revenues to companies constructing railroads in India, and £225,000,000 were spent on railways, resulting not in a profit, but in a loss of £40,000,000 to the Indian taxpayer up to 1900"

Hind Lines, which wanted to transport passengers swiftly between India and Europe But Government made an excuse that "Since the Scindia Company has already agreed in writing that it will not carry overseas, Government bears the responsibility of making it honour this agreement as well as of protecting the interests of other shipping companies (i.e British) who were earlier in the business, and hence Government is unable to sponsor this new scheme," and threw the resolution out

In the month of April 1936 Lord Willingdon's term as Viceroy expired, and Lord Linlithgow's term commenced. The great man came all determined to implement immediately the political reforms Act of 1935 in India To that end, he began attempts to secure the maximum co-operation from the Indian States as well as from the Indian leaders He followed a policy of accommodation with the nationalist-minded, even winning the sympathy of Gandhiji Hoping that if he were to place his grievances before a Viceroy of this type, the case of the Hind Lines might perhaps be reconsidered, Walchand sent him a lengthy letter on April 24, 1936. In this he described the current state of the Indian shipping industry, and requested a reconsideration of his scheme for overseas transport. He added in conclusion, "Unless such immediate, active and effective steps are taken, all talk of India as an equal partner in the Empire, I am sorry to observe, will be merely a jugglery of words and cruel mockery of national aspirations "

To this letter of Walchand the Viceroy sent an extremely courteous and lengthy reply on June 8, 1936 In this he pointed out that the interests of both sides—British and Indian—must be considered with care and fairness, for which purpose it would be desirable to adopt a policy of compromise and consideration which would not sacrifice anybody He expressed his view that . "I will not conceal from you that certain of the criticisms which you have advanced in your letter even of the arrangements embodied in that agreement, have weighed with me, and I am ready to undertake that when the existing Agreement runs out in 1939, I shall be prepared to examine the whole question with a fresh mind. But my advice to you for what it is worth would be that, with the knowledge that a new situation will arise on the determination of the Agreement, and that on its determination it will be necessary to reconsider its situation as a whole with a view to reaching in substitution some corresponding arrangement of a friendly character with the important interests which are in competition with you in this field, you should, in the

intervening period, concentrate so far as possible on laying the foundations of an amicable understanding which will do justice to the legitimate interests of both parties. And you may rest assured that the Government of India will at all times be only too anxious to take any steps possible to forward efforts of this nature, and to lend their utmost assistance and influence in securing an equitable solution of the situation that will arise on the expiry of that agreement

"I would like in conclusion to say, speaking with some personal knowledge on the one hand of business affairs, and on the other of the considerations which must weigh with any Government in reaching a decision on matters such as this now under discussion between us, that I am very clear that no lasting or permanent solution and none which will be consistent with the best interest of all parties concerned, can be reached on the basis of mutual exclusion, and that the situation in respect of Indian shipping appears to me to be eminently one for a compromise in which each side should take account of the legitimate claims, the financial obligations, and the capacity to render service to the public, of the other The interested parties, whether Indian or British, are all of them persons of great commercial experience and of high standing, and I feel that I can rely on your sense of reality and your business experience to spare no endeavour, by previous discussion with the others in the field, to clear the ground for the preparation of an amicable and reasonable arrangement to replace the Agreement of 1934 once that Agreement has run its term"

After the Viceroy's reply, the parties met each other and also corresponded through letters Walchand made great efforts to convince the other side by urging that Hind Lines was a separate company, that no connection with the Scindia-B I agreement could be imported into its scheme, that this scheme must be considered independently, and so on But nothing came of it. The policy of *status quo* remained in force

Walchand took note of the Government of India's policy; and besides, at about this time he was getting interested in the transport of Haj pilgrims, automobiles, aeroplanes, and the setting up of ship-building and repairing yards He therefore of his own accord brought the Hind Lines scheme to a full stop. In addition, he was called upon to deal with the problems of keeping alive several small Indian steamer companies which had then began to ply with cargoes over the Indian Ocean, in limited areas. These were beginning to

be persecuted by the B. I. and certain British steamship companies which supported it, and subjected to ruthless competition through rate-cutting.

Of these, the Bengal-Burma Steam Navigation Company was at the point of death This Company possessed not more than two ships, and both of them old ones. Since they required frequent repairs, most of their meagre earnings went for these Of a profit there was no sign Its coffers were empty, and its last breath was near. The B. I, lying in wait to remove it from the field of its rivals, had begun to advise the Bengal-Burma director, Abdul Bari Chaudhary and his assistants to "sell us the Company" Like Walchand, Chaudhary was a man of patriotism, devotion to industry, and idealism, but he lacked financial strength. He also lacked a kind of daring shrewdness which is necessary for acquiring that strength in such a crisis. He turned to Walchand Three and a half lakhs at once would save the Company If this went into the B I's maw, it would be a sort of slur on the country's shipping industry, and would be construed as a sign of weakness and defeat Without wasting much time in thinking, Walchand gave the Company the sum which it required from Scindias, as a loan From now (1934) the Scindia Company became its Managing Agents, and looked after its affairs

As soon as the management of the Bengal-Burma Steam Navigation Company came to Scindias, Walchand complained to the Government of India about the B I's policy of rate-cutting, and got the former to compel them to cancel it Thereafter the Bengal-Burma steamers carried passengers and mail along the Arakan coast unhindered, and brought the Company a profit

As with the Bengal-Burma Steam Navigation Company, the condition, from the financial standpoint, of the Indian Co-operative Navigation and Trading Company, which carried passengers along the Konkan coast, was also becoming more desperate day by day After twenty-eight years of existence, this patriotically inspired steamship company had fallen a victim to the wicked and murderous rivalry of the Bombay Steam Navigation Company, another sister company of the B I, and was at the point of death Conceiving it as his duty to save this Company, and to expose and repulse the British shipping merchants' machinations for grinding the Indian shipping industry into the dust, Walchand stepped in to the rescue (1937) He got help for this Company from Scindias, as he had done for the Bengal-Burma Steam Navigation Company.

In similar fashion to the Indian Co-operative Navigation Company, Seth Mafatlal Gagalbhai had started the Ratnagar Steam Navigation Company, and plied its one steamer on the Konkan coast. Walchand felt that two Indian steamship companies, rather than vainly competing together, should help one another to face the competition of foreign steamers and acquire the capacity to solidify their position; and for this purpose he tried to persuade Seth Mafatlal and to bring a single guiding hand to the business policies of both companies. In due course, by making them give their Managing Agency to Scindias, he got for himself the work of managing and directing both these companies.

Naturally, Walchand's rivals among the British shipping merchants, along with their toadies, began to spread the vicious criticism that he was copying Hitler in getting his paws on the Indian steamship companies[6] To this criticism Walchand gave a straight answer He said, "The wiping out of any Indian shipping venture or its absorption by non-Indian has always been and will always be a serious menace to the development of an Indian merchant navy It is therefore enlightened self-interest—if not true service—to stand by an Indian shipping concern and prevent it from falling under the axe of the outsiders It is these broad considerations which have guided hitherto the policy of the Scindia Company in its relation to the other Indian shipping companies on the coast and I am sure you will agree with me that it is the only sound policy which can give true National shipping the strength it needs to live and grow in spite of the deadly onslaughts of powerful outsiders and without even the semblance of support from the Government of the country "[7]

The Scindia Company's action in taking the Indian Co-operative and the Ratnagar Steam Navigation steamship companies under its wing in the nick of time not only saved these two from an untimely death, but at the same time saved the Indian shipping industry on the Konkan coast and set it on a firm foundation

Following this same policy, Walchand had previously, in 1935, defeated the campaign waged by foreign companies, wielders of the

6 At a session of the Central Legislature, the then Commerce Secretary to the Government of India, Hugh Dow, gave vent to the following remark —

"In this rate war, you have one Indian company less powerful than the other, and a powerful company coming to its assistance, taking the smaller Indian company under its protection rather in the way perhaps that Herr Hitler has taken Czechoslovakia under his protection "

7 Presidential speech at the Scindia Steam Navigation Company's Meeting of November 18, 1937

weapon of rate-cutting, against four small Indian companies plying between Karachi and Cochin. These foreign companies had originally ventured to suggest to Walchand that the Scindia Company should join them in cutting the rates and ride these four companies off the sea-transport range He however spurned them, took the side of the small companies, and placed the matter before Government Sir Joseph Bhore was then Commerce Member in the Commerce Department of the Government of India. He called a meeting of representatives of both the foreign and Indian companies in New Delhi on 11 and 12 January 1935, listened to both sides, and discussed them impartially This meeting was attended by both Walchand and Mansukhlal Master At the conclusion of the discussion, Sir Joseph announced his decision that small Indian companies sailing on the West coast of India should get the carriage of 85 per cent out of certain categories of cargo This decision is known as the Bhore Award It confirmed the principle that the major share of carrying Indian cargoes along the Indian coast should go to Indian steamship companies having wholly Indian capital and fully managed by Indians; and as small Indian steamship companies began to be formed, the Indian shipping industry began, albeit slowly, to achieve expansion.

Observing these steps which Walchand took to establish the Indian shipping industry, by valiantly facing the murderous rivalry of the foreign companies, and the solidarity which he brought to it, the Indian public began to feel confidence in his work, and to accord him increasing support In 1936-37 the Muslim Brotherhood and the Port Shipping Committee began to request the Scindia Company to start using its ships to provide a comfortable and rapid voyage for the Muslim pilgrims, who left India each year to visit the holy places in the Saudi Arabian region One member of the Viceroy's Executive Council, Sir Jagdish Prasad[8], and his Secretary M S A Haidari, when they visited Bombay in 1936, had also purposely invited Walchand (5 August) to meet them, when they privately asked him whether the Scindia Company, if the opportunity should arise, would take part in the transport of Haj pilgrims, and indirectly conveyed their desire that if possible it should do so

Every year, thousands of Muslim pilgrims from Burma and India go to visit the holy seats of Mecca and Medina in the Hedjaz

8 Sir Jagdish Prasad held the portfolio of Education, Health and Lands The subject of the Haj pilgrimage was at that time assigned to this portfolio

district of Saudi Arabia; they are designated as "Haji"[9]. Usually the pilgrim traffic goes to and fro for three months starting in November, the sailings being from the three ports of Calcutta, Bombay and Karachi In order that proper arrangements should be made for the Hajis' travel, and their existing difficulties promptly removed, the Government of India had appointed a Haj Committee at all three ports. Prior to 1932, each season saw an average of 30,000 Hajis going to the Hedjaz; but this number, owing to economic depression and certain other causes fell in the next two to three years by a half. From 1936 it gradually picked up again, and bade fair to regain its former size

The Hedjaz pilgrimage lasting for a bare three months, the regular passenger steamers showed little enthusiasm for carrying the Hajis to and fro Consequently the Hajis were catered for by having separate arrangements made on cargo steamers. This carriage was being done for nearly forty years by the ships of the Bombay Persia Steam Navigation Company, a British company known as the "Mogul Line" This company had acquired something like a hereditary right to carry the Hajis, and over the three months of the pilgrim season it made a clear profit of about nine lakhs During these years, the sight of this profit tempted some Muslims on two or three occasions to try running their own steamers But the Managing Agents of the 'Mogul Line', Turner Morrison and Co., adopted a sacrificial rate-cutting and drove them from the field They had no room for manoeuvering After this, not a single Muslim merchant found the courage to compete with the Mogul Line Out of the share capital of this line's parent company, the Bombay Persia Steam Navigation Company, 87% was held by the B I's two British protégés, the P & O and the Asiatic Steam Navigation Company

On account of this hereditary monopoly of carrying the Haj pilgrims, the Mogul Line's officer cadre used to treat their passengers with much indifference and incivility, while their Managing Agents, Turner Morrison and Co, directed their attention less to their passengers' comfort and convenience, than to making the maximum profit for the minimum outlay While the proper shipboard arrangements were non-existent, the fares were exorbitant The ship's pace was slow too—eight knots—which meant that it took many days to reach the destination. The Port Haj Committees

9 The masculine "Haji" (Persian) or "Hajj" (Arabic) denotes a Muslim who has performed the pilgrimage to Mecca

received frequent complaints that all these things should be remedied. They tried lengthy appeals to the Company's agents, and persuaded Government also to approach them. The Managing Agents, Turner Morrison and Co., declared that if better arrangements were wanted, the pilgrims would have to agree to pay enhanced fares, and that the ships' speed would remain at eight knots, since it was impossible to increase it. In the face of this attitude, Sir Jagdish Prasad and Haidari felt that some other steamship company should be prevailed upon to take up the carriage over this route; and, as mentioned above, they commenced talks with Walchand in this connection After listening to Sir Jagdish Prasad and Haidari, Walchand asked them, "Can it be arranged that the business of carrying the Haj pilgrims comes wholly to Scindias?"

"Even if not directly, at least indirectly, it can", replied Sir Jagdish "In view of the peculiar circumstances, Government will be in a position to put forward the pretext that the Mogul Line is not providing the expected improvements, and so things can be arranged in that way."

Then said Walchand, "Possibly you do not know, Sir, that two British companies, the P & O and the Asiatic, are interested in the affairs of the Bombay Persia Steam Navigation Company, which runs the Mogul Line It must also be borne in mind that, as soon as they learn that we too will begin carrying the Haj pilgrims, the Mogul Line will not fail to start a fight by resorting to rate-cutting "

Sir Jagdish must have been unaware that British companies—the P. & O as well as the Asiatic—were interested in the Mogul Line On learning this from Walchand, he began to choose his words with particular care On the present occasion he could not fail to remember how the Mogul Line, through the weapon of rate-cutting, had within a very short spell decided the fate of Nemazie and one or two other steamship owners, and firmly established its hereditary right. For a space he remained silent

But Haidari could not contain himself. He was most eager that Walchand should consent to accept the carriage of the Haj pilgrims, and thus break the Mogul Line's hereditary right "You will find the attitude of Muslim society in this matter very helpful", he said "Today the Muslims are displeased with the arrogance of the Mogul Line When I think of the recent agitation, when Muslim-majority ports like Chittagong began to express their dissatisfaction with foreign steamship companies, in favour of debarring their steamers, I believe that in case the Mogul Line creates any trouble for the

Scindia Company, the Muslim majority will ensure that only Scindias are allowed inside."

Walchand recognized the eagerness in Haidari's voice. His shrewd mind perceived that the other was impatiently waiting for his lips to frame the word "Yes". "I have not much familiarity with the Haj service", he stated "I shall first have to get that. At the same time, I shall have to read the official rules carefully."

"Is there any likelihood of your coming to Simla in the near future ?" asked Sir Jagdish

"No."

"Then, you do this. Send one of your executives there I will give him all the material about the Haj service It will not be possible for me to send it to you through our office ; no doubt you will appreciate my difficulty "

"Very good," returned Walchand, "I will send my man When I get the material from you, Sir, I will read it and tell you what I think "

Walchand was in need of some new outlet for carrying passengers On receiving the expected material from Sir Jagdish Prasad, he studied it himself and made his assistants, Mansukhlal Master and Sanmukhlal Pandya, study it The first fact they noticed was that since 1932 the Mogul Line's agents, Turner Morrison, had been clamouring in the ears of Government and the Calcutta Port Haj Committee that "since we are not getting as many Haj passengers from the port of Calcutta as we should, we are suffering heavy losses, and are therefore thinking of withdrawing our ships from there , hence, Government should close the port of Calcutta to Haj pilgrims " On following up this point with great care, they discovered that Turner Morrison had placed the question of closing the port of Calcutta to Haj pilgrims very strongly before Government in 1932 and 1934 , but that on the advice of the Port Haj Committee, Government had not accepted it As for the Calcutta Port Haj Committee, on May 26, 1934 it had passed a strong resolution[10] that "since this question has already (in 1932) been finally decided, it ought not to be brought up again and again." The passing of a resolution like this, followed by Government's unwillingness to close the

10 "This Committee is unanimously (Mr J C Foster, representative of Messrs Turner, Morrison & Co Ltd , dissenting) and strongly opposed to the re-opening of the question of the retention of the port of Calcutta again, and firmly believes that considerable harm and discomfort will be caused to the pilgrims and to the Muslim Public of Bengal in general, if the port of Calcutta is closed to pilgrim traffic "

port of Calcutta, gave displeasure to the Mogul Line's managers Their arrogance towards their passengers increased. This made the Government of India and the Calcutta Haj Committee feel that attempts should be made to induce some other steamship company to carry the Haj pilgrims to and fro

From all this information, Walchand now had a clear answer to the question why Sir Jagdish Prasad and Haidari should have tackled him so persistently on the question of the Haj transport Next he checked how much truth there was in Turner Morrison and Co 's complaint that "the Company was running into loss over the carriage of Haj pilgrims" He got hold of the Bombay and Persia Steam Navigation Company's last balance sheet of December 31, 1935 From this, it appeared that on the strength of a paid-up capital of Rs. 8,43,250 the Company had been able to establish a fleet of seven steamers valued at Rs 1,04,00,000—to say nothing of a liquid surplus of thirty three lakhs With such a tremendously powerful financial position, for the Company to say that the carriage of Haj pilgrims was putting it to loss, struck him as an astounding claim "British shipping merchants", he could not help exclaiming, "must have a money system all their own!" He wrote a letter[11] to Haidari, clearly inviting his attention to the deceitful[12] and self-seeking

11 In his letter to Haidari dated 6 August 1936, he writes 'I beg to send herewith a summary of the Balance Sheet of the Bombay and Persia Steam Navigation Co Ltd, for the year ended 31 December 1935 From this you will find that on a paid-up capital of Rs 8 43,250 this company had been able to build a fleet of seven steamers which has cost the Company Rs 1 04,00,000 (Rupees One Crore and Four Lakhs) and have in addition a nett liquid surplus of about Rs 33,00,000 Even if you take the steamers at their depreciated value of Rs 56,00,000 in case of liquidation for each share of the face value of Rs 25 a dividend of Rs 226 can be distributed This is of course, all out of the losses made on every Haj voyage!!! As regards making good Haj losses our experience is quite different I wish we could make sufficient profit out of cargo to pay for these Haj voyage losses under a virtual monopoly This is wonderful method of finance of British shipping It used to be a common saying in London about Lord Inchcape that he always used in his hey-days to pay a dividend out of similar losses from year to year for several years"

12 This was established with figures by Mansukhlal Master in a letter (July 1938) to Walchand He writes "I send you enclosed statement which gives particulars of the profits made or losses incurred by the Mogul Line from 1913 to 1937 together with the particulars of the amount which they debited to their Depreciation Account It will be observed that during the course of the last 25 years they made

(1) Total profits on 20 occasions Rs 1 05,84,076,
(2) Total losses on 5 occasions Rs 28,44,039, and
(3) Total depreciation on 23 occasions Rs 1,35,78,869

These are really very interesting figures

"It is stated that the financial position after the war (first) was not very good If you will take their profits for 1927 to 1937, i e, for the period of 11 years, it will come to nearly 30 lakhs of rupees, while they have incurred loss only during the year 1931 to the tune of Rs 1,65,583, moreover during the period of these 11 years the amount debited to Depreciation Account comes to Rs 70,15,166 In other words, on a capital of little less than Rs 8,50,000, their working profits before providing for depreciation

nature of the Mogul Line's directors' cry that "we are suffering loss over the carriage of Haj pilgrims, especially between Calcutta and the Hedjaz, and we cannot cope with it at the existing rates of fare"

By now he had obtained a very fair idea of the business of Haj pilgrim transport He decided to get into it, and so informed Sir Jagdish Prasad and Haidari. He also began to correspond with the Chairmen of the Port Haj Committees at Calcutta, Bombay and Karachi The members of these Committees had greatly desired that some Indian Company should arise to clash with the Mogul Line in the field of transport of the Haj pilgrims The Calcutta Haj Committee authorized Sir Abdul Halim Guznavi and the Executive Chairman M A Momin to conduct negotiations with Walchand The two other Port Haj Committees also welcomed Walchand's plan and indicated their readiness to give him all the help he might need

Seeing that this scheme was receiving encouragement from the leaders of Muslim society and from Government, Walchand finalised his plan He even drew the attention of the Mogul Line's Managing Agents, Turner Morrison, to it, at the same time promising that he would keep the same rates as fixed by them

On Walchand's suggestion, the Scindia Company specially seconded two steamers, the *Inglistan* and the *Al Medina*, to the Haj transport Of these, the former had been repaired and painted, while the latter was brand new With the sailing of the *Inglistan* from Calcutta in December 27, 1937 and the departure of the *Al Medina* from Bombay on January 3, 1938 the Scindia Company entered the field of Haj transport Walchand straightaway carried out on his ships, in an excellent manner, all those conveniences for women and men Haj pilgrims which the Port Haj Committees recommended as being necessary, and which the Mogul Line had once flatly refused to provide[13] In particular, he made arrange-

during the last 11 years averaged a little over 9 lakhs of rupees per year Surely this cannot be construed as their weak financial position

"I may also mention the fact when they made a profit of 11 lakhs of rupees last year after providing for depreciation the sum of Rs 7,25 000, the amount that they earned by way of interest on their investments was a little over Rs 1 92,000 Even if you were therefore to deduct the amount of interest from the profits you will notice that last year they made a profit of a little over 9 lakhs of rupees after providing for depreciation the sum of Rs 7,25,000 and that too on a capital of little less than Rs 8,50,000"

13 Sanmukhlal Pandya, Manager, Transport Division of the Scindia Steam Navigation Co, writes in his report, dated July 18, 1939, submitted to the Police Commissioner of Bombay

"We provided certain special facilities and give below some of the important arrangements made by us

(1) Provision of a separate suitable place for saying prayers in congregation,

(2) Provision of a library of religious and secular books,

ments for purdah ladies and for a separate place for the namaz prayers; whereby he made the Muslim pilgrims happy. He had arranged for a special Muslim officer to see whether these arrangements were being properly carried out or not, and in case of failure, to look into the matter personally and get them done. In addition, he had given his captains standing orders promptly to render to the pilgrims whatever assistance they might need

On seeing that the Scindia Company had trespassed into their hereditary field of carrying the pilgrims, the Mogul Line's Managing Agents, Turner Morrison, determined to lower their rates and put Scindias to flight, as they had put the other Indian steamship companies in the past. One of the Company's directors, a certain French, gave out publicly that they had decided to launch a rate war, to which they saw no alternative "We shall carry on this war" he declared, "unceasingly with all the means at our command"[14]

When Walchand read this threat of the good Mr. French, he at once gave it wide publicity in the very next day's issue of the Bombay Chronicle,[15] concluding with the warning that "the Scindia Company will not start a rate war of itself, but if attempts are made to crush them out by such a rate war, the Scindia Company will have no other alternative but to defend themselves against such a threat" And at the same time he recommended to Government that "they should see that a rate war is not forced upon the Indian shipping company by the existing British Line"

As soon as the Scindia Company's Haj Line started, the Mogul Line held to its previous decision and brought its fares right down The Karachi-Hedjaz ticket, formerly costing Rs 172, now became Rs. 20—a sum which fell far short of the out-of-pocket expenses,

(3) Provision of electric fans for deck-class pilgrims,
(4) Supply of good and wholesome food to suit the varied tastes of the pilgrims hailing from different provinces and a variety larger than prescribed under the rules,
(5) Supply of fresh running water day and night with the provision of savealls to prevent decks from being wet
(6) Up-to-date well-ventilated lavatories and bath-rooms with shower baths in the case of S S "El Madina"
(7) Provision of free Rest House at Jedda for poor pilgrims unable to find accommodation with their Muslim brothers
(8) Enquiry offices at Mecca and Medina during the Haj to enable pilgrims to obtain up-to-date information about the sailings from Jedda
(9) Provision of Haj Line camps during the Haj at Arfat and Meena where pilgrims could get necessary information and water was supplied free of charge to all the pilgrims

14 'Mogul Line' threatens Rate War against Scindias
—*The Bombay Chronicle*, December 1, 1937

15 "No Intention of Any Rate War Anywhere"
—*The Bombay Chronicle*, December 2, 1937

it did not even cover the cost of feeding a pilgrim, for which the Company had to fork out Rs 17 from its own pocket—and that, after carrying the pilgrim free of cost. This lowered rate would begin to operate from the day of the Haj Line's first sailing; and on the very day after the sailings were over, it would go up to Rs. 150.

At the sight of this murderous rate war started by the Mogul Line, the country was in an uproar. When the Central Legislature met in March 1938 the rate-cutting formed the subject of question after question addressed to Government Sir Abdul Guznavi, Sir S. Raza, Dr. Sir Ziauddin Ahmad, and ten other Central Legislative Members introduced a resolution in the Assembly to the effect that "In the face of British companies' attempts to expel Indian shipping industrialists for ever from the shipping industry, Government should take immediate steps to establish by law an equitable, fixed, yet economic rate of fare," and launched virulent attacks in their speeches against this vicious policy of the foreign companies But the directors of the incorrigible British steamship companies were strangers to business ethics, they suffered no visible effects, and persisted in their senseless destructive policy. Sardar Vallabhai Patel was then championing the Scindia Company "No matter what the circumstances," he advised Walchand, "we must not admit defeat, we must steadfastly face this fresh struggle even at the cost of loss" And he promised Walchand every kind of help as regards the steps necessary for foiling the attacks of the British steamship companies' directors

In similar fashion to Sardar Vallabhbhai, the most influential Muslim leaders indicated their readiness to support Walchand in the coming fight Seeing this, the Scindia Company announced that a third steamer would be started in the next season, to assist the two steamers which had been doing the carrying so far, and kept ready the brand new steamer *El Hind*[16] The Mogul Line directors also girded themselves for the fight

Walchand's assistant and chief manager of the Scindia Company, Mansukhlal Master, made a point of calling on the Secretary to the Central Commerce Department, Hugh Dow, and properly explaining the Haj affair to him The fellow Dow was a gentleman of not very straightforward character. Under an outward show of courtesy, he hid a nature which was antipathetic to the trade and industry of the Indian people. A most inscrutable person, he was prone to place wanton obstacles in the path of the Indian people's progress The

16 This steamer started her first voyage on December 3, 1938 from Calcutta

fellow asked Master a number of tortuous questions, to which the latter gave clear and suitable replies Dow finished by observing "For many years the Mogul Line directors have taken trouble and sunk a lot of capital to build up this business of passenger carrying on the Hedjaz route, and I fail to understand why the Scindia Company should muscle in and precipitate a situation which does hurt to both of them" This seemed to amount to a suggestion that the Scindia Company had better get out.

At these words, Master told the fellow "The number of passengers on this route is going up day by day In 1936-37, the number going to the Hedjaz was 12,623, while this season—1937-38—it had become 19,664 In these circumstances, there is no ground for any anxiety that there will be a shortage of passengers, or a loss Another point is that we entered this field chiefly at the insistence of Government, the Muslim community, and the Port Haj Committees Our ships provide the sort of facilities for the pilgrims which they expect to get, and due to their swift speed, the voyage is completed in two to three days less than previously , when they see this, they want us to stay on this route permanently Again, if the work of carrying our countrymen from India and back to India is not to be done by an Indian company like Scindias, who else should do it? It is a sort of duty, and our Muslim brothers have a right to receive such service Why should foreigners of all people come in the way of this duty and right?"

To this eminently reasonable and prompt reply of Mansukhlal Master's, that Mr Dow could find no answer "Very well" he said, as he changed the subject "Place whatever you have to say before Government, which will then look into it properly and see what can be done to help in the matter"

After Master had met that Mr Dow, Walchand took his advice and communicated his Company's say in the Haj matter in the form of a memorandum to the then Commerce Member of the Viceroy's Executive Council, Sir Muhammad Zafrulla Khan, and requested that Government should take up the matter with urgency Through the Muslim members of the Central Legislature, he kept him up to the mark The three Port Haj Committees at Calcutta Bombay and Karachi began to din it into Government that "care must be taken to see that an Indian Company should not be violently squeezed out of this business by a foreign company" Hence Sir Zafrulla Khan was obliged to pay prompt attention to the Haj affair

Sir Muhammad made a detailed investigation of the Haj matter.

and fixed the individual ticket from Karachi to Jedda at Rs 115. This figure was financially uneconomic; nevertheless the Scindia Company, hoping to retain the lasting sympathy of the Muslim pilgrims, accepted it. The Mogul Line directors also accepted it at first, but afterwards indicated their dissatisfaction. In the ensuing pilgrim season they began to ply their ships at a rate much below that fixed by the Commerce Member. Especially, this rate used to be brought down on the very day on which the Scindia ship sailed As against the Scindia Company's ticket of Rs. 115, the Mogul Line ticket would be Rs 80, and on the day after the Scindia ship sailed, it would be Rs. 140 One can clearly see what were the Mogul Line's ultimate purposes behind this behaviour.

It was now clear to Walchand that the Mogul Line intended, by one means or another, to drive the Haj Line out of its transport field, and enjoy its previous unfettered control, for which purpose it would take advantage of Government's weak-kneed policy in the matter He confirmed his feeling that he must at once prepare himself with new tactics and stratagems to oppose it and frustrate its designs For this purpose, he decided that he must more and more attract the sympathy of the Muslim community and its leaders towards the Haj Line, and take more and more advantage of it in this task

He called on Mahomed Ali Jinnah, the Muslim leader, took him into his confidence, and related to him the whole history of the war between the Mogul Line and the Haj Line He plainly exposed its true nature, and declared his hope of receiving the other's clear guidance as to the direction in which and the steps by which he should proceed. The relations between Jinnah and Walchand were cordial They had many mental attitudes in common, and their friendship remained unbroken Each well recognized the other's individuality and capability, each entertained for the other's feelings of respect and admiration The spirit of fighting and aggressivenss was the predominant characteristic of both Their self-confidence was boundless, which reverberated even in their subconscious. Their unlimited courage and great self-confidence were strengthened by a deep discrimination which enabled them to break through the clutches of danger and deadlock Because of these dominant qualities, power and leadership came to them without their seeking Neither allowed anybody to dominate him, on the contrary both bent others to their will; and naturally so When such two persons of like disposition come together and frame a policy after making objective analysis of

the problem in hand, it is bound to be of great consequences.

What policy was evolved as a result of his secret talks with Mahomed Ali Jinnah, Walchand never divulged to any save one or two colleagues in his confidence However, some idea of it can be formed from the activities on which he subsequently launched Jinnah, it seems, must have advised Walchand to form a separate steamship company, with the co-operation of the Muslim community, to carry Haj pilgrims between the ports of Burma, Ceylon, India and the Hedjaz By this method, not only could very strong pressure be put on Government through the Muslims, but at the same time the Muslim passengers would be very powerfully attracted towards the new company by the feeling that it was their own Jinnah must have suggested that this method would render it not particularly difficult to face the competition of a foreign company such as the Mogul Line

Walchand agreed with Jinnah's advice, and on September 10, 1938 he registered a separate company named the Haj Line Limited, with a capital of five crores of rupees This capital was to be subscribed in 2,50,000 ordinary shares and 2,50,000 cumulative preference shares (6%) of Rs 100 each The Scindia Company would sell its two Haj pilgrim steamers, the *El Hind* and the *El Medina*, to the new Limited Company, and purchase fifty lakhs rupees worth of Ordinary shares and one lakh rupees worth of Cumulative Preference shares The Managing Agency of the Company would be with Scindias, and a majority of Muslims would be taken on the Directors' Board Such was the overall scheme.

After the Haj Line Limited was legally registered, Walchand again called on Barrister Jinnah At this meeting he suggested[17] that an effort should be made to obtain the encouragement, assistance and financial support of His Highness the Aga Khan and the Nizam , and that on getting these, selected leading, influential and well-to-do Muslims should be invited from different regions of India to a meeting in Bombay, at which the Haj Line scheme should be placed for consideration

At Jinnah's suggestion, prior to holding the meeting of prominent Muslims, Walchand called on H H the Aga Khan, taking Mansukhlal Master with him, on January 20, 1939 at his Land's End palace in Bombay. He gave him a detailed account of the rate war being fought between the Mogul and Haj Lines and of the Government

17 Walchand Hirachand's Circular letter (January 12, 1939) to some prominent Muslim persons

of India's policy regarding it, and placed before him the scheme of the Haj Line Limited "For this scheme," he told him, "I look for your support and your blessings."

"My support" the Aga Khan promised him, "you shall surely have. In forming a separate steamship company for the Haj pilgrims, you have given my brothers in religion an opportunity to partake of its capital and its management, and this news gives me great pleasure Not being an industrialist myself, I cannot join its Board of Directors; but I shall without fail strongly urge my brothers in religion to join it, and at the same time to help in raising the capital for the Company Whatever other help is fit to be given, I shall certainly give I shall send a directive memorandum addressed to my brothers in religion as well as to my fellow countrymen "[18]

After this, Walchand had a long talk with the Aga Khan about the state of the Indian shipping industry He said, "In spite of facing all sorts of difficulties and enduring trouble for the past twenty years, the question of the Indian shipping industry has been able to find no satisfactory solution To find it, we have made supreme efforts. Indian steamship companies have managed to get only 25% of the cargo carrying and 9% of the passenger carrying; into overseas transport they have not been able to enter at all. The British Government gives all sorts of facilities to the shipping business in England, gives any kind of assistance to make it solid and strong, and stands as a firm support at its back Only to the Indian shipping industry is its attitude precisely opposite and different" He illustrated his words by recounting the tale of the various acts which the B I and the Asiatic had committed against the Scindia Company since its inception.

"For so many years past," Walchand told the Aga Khan in conclusion, "I've gone on working on the Viceroy, the Secretary of State for India, and the President of the Board of Trade One gets any amount of good-will and sympathy out of them—and vague assurances too But up to this very day, nothing has got so far as

18 The Aga Khan kept his promise and very soon published a memorandum, in the last paragraph of which he said "I welcome whole-heartedly the decision of this new Company to give an opportunity to my co-religionists to share to as great an extent as possible in the capital and the directorate of Haj Line Limited and I am happy to observe that such joint enterprise will considerably help India in protecting and furthering her own national economic interests I, therefore, warmly commend my countrymen to help this national enterprise and appeal to my co-religionists to extend to it their continuous patronage, so that India's firm endeavour to participate in its overseas trade may become a real success "

—*The Bombay Chronicle*, January 26, 1939

concrete action. See whether Your Highness can do anything in the matter by writing to the Viceroy."

"Nothing will come of my writing", he replied. "In financial matters", he added, "the people in London who deal in such things have got such a tight grip on the policy of the Government over there, that it is not capable of going against their ideas This being so, why should we feel surprised if we find the official class in India powerless to solve your problem? Many a time have I told Lord Inchcape, 'Leave at least the Indian coast free for Indian steamers' But he has never considered it A few days ago, I had a long talk with Lord Willingdon about the necessity of henceforth increasing the freight carrying and the tonnage ratio of Indian steamship companies, from the point of view of expanding the Indian shipping industry He actually conceded my points, but even so, London's grip on Government is so strong that he can accomplish nothing London expects the British Government's representatives in India to take first thought for the welfare of London's shipping merchants, and not to side with the Indian shipping merchants And the officials over here have to live up to those expectations This means that whatever efforts are to be made, must be aimed at the Government in London I shall very shortly—probably in May-June—be going to London, and then I will take this matter up with Chamberlain[19] But before that you let me have all the papers about it One more thing—if I can fix the proportions of carriage at 50% for British companies and 50% for Indian companies, can you keep all the steamers ready that will be needed for that carriage? If it happens that you have insufficient steamers, will you be able to raise the capital necessary for buying them?"

To the Aga Khan's above concluding queries Walchand gave a ready answer "As to that, there is no cause for anxiety If a proportion of 50% is definitely fixed, I can get from Indian capitalists all the money that will be needed for buying extra steamers I feel positive that I can get it in a very short time Within one year I can build as many steamers as will be required You start talks with Mr Chamberlain and at least win him over Whatever information Your Highness wants about the Indian shipping industry, will be systematically sent to you in writing by our Mansukhlal Master, who will also give you any other incidental material Your Highness will find this very useful in your talks with Chamberlain. I

19 Neville Chamberlain was then Prime Minister of Britain He and the Aga Khan were close friends

myself will also be going to London in about May-June. If any difficult questions crop up, I shall be there to answer them."

"Good. In the task of raising the country's economy, I always feel that the shipping industry is a factor of very considerable assistance, and so it should be developed in India at a rapid pace I am proud and happy to see the efforts you have made for this purpose. I shall always feel pleased to give you as much help as possible."

A few days before his meeting with His Highness the Aga Khan, Walchand had begun corresponding about the Haj Line Ltd, with the then Prime Minister of the Nizam's government, Sir Akbar Haidari Sir Akbar informed Walchand that the Nizam's government would take five lakhs' worth of preference shares in the Haj Line Ltd, and would similarly arrange that the Haj pilgrims going from its State would travel only on the Haj Line steamers

Having thus obtained the backing of the Nizam, the Aga Khan, and Jinnah, with a view to securing aid in a concrete form for the Haj Line Limited project, Walchand at once took up Jinnah's earlier suggestion, and held a meeting of prominent Muslim leaders on January 26, 1939[20] at which the topic was freely discussed Since Walchand's scheme had the support of the Aga Khan, the Nizam and Jinnah, all those present also proclaimed their support, without a single discordant note

As soon as this meeting was over, an account of it was given to Barrister Jinnah Next, at his suggestion, steps were begun to obtain help for the business from the rulers of Bhopal, Palanpur, Bhawalpur, Rampur, Jaora and other Muslim States, as well as from Nawabs, Zamindars, Jagirdars, and organizations like the Jamiat-ul-Ulema. With the help of men like Sir Muhammad Yakub and Khwaja Hussein Nizami, a favourable climate was created in the Muslim community for creating active sympathy towards the Haj Line Ltd Seeing this, the Mogul Line directors began similar manoeuvres They met the leaders of the Jamiat-ul-Ulema and tried to persuade them to act on the side of the Mogul Line But this organization, being of a nationalist outlook, declined to help them [21]

20 Among those who attended this meeting were the following prominent Muslims Sir Akbar Haidari (Hyderabad), Mrs Tyabji (Karachi), Khan Bahadur Haji Shaikh Rahim Baksh (Lahore), Maulvi Jamal Miyan Saheb (Lucknow), Dr Sir Ziauddin Ahmad (Aligarh), Abdul Bari Chaudhury (Chittagong)

21 "You will not be surprised to learn that the Mogul Line had approached this Association for its support but as this Association is nationalistic in its outlook, they did

At the same time as attempts were being made to get encouragement and financial help for the Haj Line Ltd., from the general body of Muslims, attempts were also being directed towards ending the rate-war started by the Mogul Line, and towards bringing solidity and assurance to the whole concern In Februray 1939 Mansukhlal Master and Gaganvihari Mehta went to Delhi. The two of them called on a Joint Secretary to Sir Jagdish Prasad, M W. Yeats, gave him a word for word account of what the Mogul Line had done in the 1938-39 Haj pilgrim season, in order to stunt the growth of the Haj Line, and persuaded him of the vital need for Government to take prompt notice of the matter and effect some remedial measures Whereupon this Yeats assured them that Government was seized of the matter and would shortly announce its decision.

Conformably to the above assurance by Yeats, Government soon prescribed the proportions of carriage as 75% to the Mogul Line and 25% to the Haj Line Actually, Walchand said they should be at most 67% against 33%. The Second World War had now commenced (September 3, 1939) and prices of commodities had begun to rise. In consideration of this, Walchand requested that Government should grant liberty to make at least a twentyfive per cent increase over the fares previously settled However, since the Mogul Line announced that it would carry at precisely the previous fares, Government found this a pretext for declining Walchand's request Besides this, Government adduced some military grounds and stopped the carrying of Haj pilgrims from the port of Calcutta This provoked bitter complaints from the Muslims, to which Government turned a deaf ear Angered at this unjust attitude of Government, Walchand temporarily suspended the Haj Line by way of protest.

About this time, Walchand suffered an unforeseen shock Possibly because some string had been pulled somewhere, or possibly because it had become impossible to counter the adverse view taken of the matter by someone strong enough to overrule Sir Akbar Haidari, the Nizam's government rescinded its promise to take up five lakhs' worth of shares in the Haj Line Ltd Walchand was informed on September 17, 1939 that the Executive Council of His Exalted Highness the Nizam had passed a resolution that "In view

not entertain the proposal of Mogul Line and did not allow them to be seduced by that Company "—M A Master's letter to Walchand Hirachand, New Delhi, February 7, 1939

of the present economic condition of the country and the political situation in Europe, the proposal for the purchase of shares in the Haj Line Ltd. should be dropped "[22] This changed attitude of the Nizam may also have been responsible for Walchand's decision.

In the 1939-40 Haj season the Haj Line took no part A fact worth noting is that, with the Haj Line out of the picture, the Government of India not only permitted the British Mogul Line to raise its normal fares by 13%, but further gave it a subsidy as well The sight of a Government, which regularly proclaimed its responsibility for the expansion of the Indian Mercantile Marine, as well as its refusal to create dissensions and divisions, paying lip service to impartiality while its actual deeds were so different, would have upset any beholder No one could have failed to feel contempt for such dishonest behaviour on Government's part Even a mild-tempered moderate like Sir Sivaswamy Aiyar became sufficiently indignant at this policy of Government's to observe "When I see this policy of theirs, I often feel tempted to join the extremists "[23] Is it surprising, then, that a fiery nationalist's blood should boil ?

While the rate war raged with the Mogul Line, the Indian Co-operative Navigation Company and the Ratnagar Steam Navigation Company, which the Scindia Company had taken under protective management, were made the victims of a deadly rate competition on the Konkan coast by the Managing Agents of the Bombay Steam Navigation Company, Killick Nixon and Company, with the secret encouragement of the B.I This too had to be faced by Walchand's Scindia Company.

The Bombay Steam Navigation Company had been formed in 1906 by the purchase of steamers from Haji Ismail Hasan's steamship company known as "Shepherds" Its original capital was Rs 60,00,000. Killick Nixon were its original promoters, and so naturally got the work of managing it Along with the Bombay Steam Navigation Company, Killicks had the agency of the foreign steamship lines Harrison Line, Bibby Line, and Ellerman's City and Hall Line In addition they attended to the business of some 25-26 companies, either as agents or managing agents.

22 Letter dated September 17, 1939, from the Financial Secretary, H E H the Nizam's Government, Hyderabad-Deccan

23 Shri Sivaswamy in one of his letters to Mansukhlal Master writes "Though I have been a lifelong moderate, the policy of the British Government with regard to Indian shipping and the way in which they have exploited a defenceless dependency in the interests of their own shipping fill me with indignation The provision of the Government of India Act in regard to shipping and the encouragement of Indian industries is one of the two blackest spots in that enactment Their policy almost tempts me to join the ranks of the extremists "—Bangalore City, July 12, 1939

In the thirty-three years 1906 to 1939, the Bombay Steam Navigation had considerably added to the number of its steamers, and had begun to operate the Bombay Panaji, Bombay Mangalore, and Bombay Karachi routes. In its steamers large and small, it carried a daily threefold complement of mail, cargo and passengers. It had usurped most of the carriage on the west coast of India. Like the B I, it directed its activities towards remaining the sole master of the transport business on the coast of this region. It noted the Scindia Company's settled policy of assisting Indian companies, proclaiming any injustices done to them from the house-tops, and seeking justice on their behalf from Government; and it began systematic attempts to sow doubts about it in the public mind. Passengers began to be indirectly warned to beware of the Scindia Company which had set out to appropriate small Indian companies like an octopus. The Bombay Steam Company's publicists began to spread around the controversial statements that the Bombay Steam Navigation Company was just as Indian as Scindias or their protéges, that most of its shareholders and some of its directors were Indian, that Walchand's show of "Indianizing" was just self-seeking humbug, and that the people's patriotic feelings were being cunningly taken advantage of for destroying Walchand's business fellows and adding to his own personal glory. At the same time, the Bombay Steam Navigation Company was laying plans to checkmate Walchand in other directions also. The Bombay Steam Navigation Company started attempts to get into the Burma rice carrying trade[24] which the Scindia Company had brought to success after suffering privations and facing many difficulties, and to overthrow it by turning its strong flank into a weak one.[25] To this check Walchand resolved to oppose an effective counter-check.

In the plan for giving a check to the Bombay Steam Naviga-

24 "The Bombay Steam Navigation Company decided to enter the Burma rice trade in October 1937, and the Agents of the Company were authorised by its Directors, to take whatever action they may consider necessary, to carry this decision into effect."
—Walchand Hirachand. Speech at the 21st Ordinary General Meeting of the Scindia Company, 12-12-1940

25 "The Bombay Steam spared no efforts to harm the interests of the Scindia Co., by making active arrangements to attack it in its Burma trade. With your continued goodwill and with the active support of the shippers we shall be able to protect the interest of the Company in the Burma trade which it has built up with great sacrifices all these years. I want you, however, to take a serious note of the fact that the European Agents of this so-called national concern have retained the ethical standard of their race, viz. 'pretensions for peace but preparations for war', despite their profession of an Indian domicile of over 80 years' standing."
—Walchand Hirachand. Speech delivered at the 19th Ordinary General Meeting of the Scindia Steam Navigation Company on 8th November 1938

tion Company the first step was to expose the falsity and selfishness of its misleading propaganda for persuading the public that it was as Indian as the Scindia Company, and suggesting that it was wrong to differentiate between the two, and to explain the true significance of the word "Indian" (*Swadeshi*) Recognizing this, Walchand opened his attack in that direction

Determined to take advantage of Sections 111 to 115 of the Government of India Act of 1935, and the official policy which they inspired of making no distinction between British, European and Indian traders, British firms opened branches in India and got them registered in India ; they converted their sterling capital into Indian rupees , they assigned some shares of this capital to Indian ownership ; they took a few Indian industrialists on their directorial boards while retaining a British majority ; and they added the words "(India) Ltd." after their titles, so as to put up a front of being Indian In putting up this front, foreign companies wanted to take advantage of local protective tariffs and cheap labour, to capture the markets of India and her neighbouring countries, and to be able to assure the Government of India that the stores which it wanted were "Indian".

This ulterior object was recognized by a friend of Walchand's and leading industrialist of Maharashtra, Babasaheb Dahanukar, who said the following at a quarterly General Meeting of the Maharashtra Chamber of Commerce (August 17, 1938)

"Today many foreign commercial companies have come here and are branching out Indeed, if we say that they have started what amounts to an invasion of this country, we shall not be wide of the mark Relying on vast wealth, scientific knowledge, and up-to-date experience of industry, these companies are able to have a violent tussle with Indian companies and drive them to the last ditch To support this statement, it is appropriate to mention one large match-making firm and two cigarette-making firms in India Of all match-boxes made in India, more than sixty per cent are from the factory of this one firm , Similarly, of the total cigarettes made here, about 95% are from the factories of British firms The time has now arrived, in my view, for setting bounds to the growing incidence of foreign capital here, in the interests of the country's economy It is not inconceivable that India's political progress will have to carry the new fetters forged here by the foreign capitalists ; and what is more, these people will not hesitate, sooner or later, to checkmate even our Government And that is why it is necessary

that Government should bestir itself in time and form its policy afresh in this context."

In addition to the two industries cited by Dahanukar, through the large-scale manufacture of soap, shoes, rubber, chemicals, oils, and so on, the British companies with their appendages of "(India) Ltd", had begun to push Indian factories into the ditch. They had begun to tussle not only with big industries but also with small-scale Indian industries In 1938 these "(India) Ltd", companies numbered 179.[26]

Walchand decided first of all to show the public that the Bombay Steam Navigation Company was on a par with the above-mentioned "(India) Ltd" companies of foreign capitalists who put up a front of being "really Indian". For this purpose, deeming it advisable to have the words "Indian" (*swadeshi*) and "home-made" (*deshi*) clearly defined by those with the natural authority to do so, namely the Indian National Congress and the then framer of its policies, Mahatma Gandhi, he sent his three lieutenants Shantikumar Morarjee, Gaganvihari Mehta and Mansukhlal Master, to call on Gandhiji in March 1938 at Segaon (Wardha) These put the below-mentioned questions to Gandhiji

(1) The discrimination clauses They cited from Gandhiji's article in Young India entitled "The Giant and the Dwarf" the following statements. "To talk of no discrimination between Indian interests and English or European is to perpetuate Indian Helotage What is equality of rights between a giant and a dwarf? Before one can think of equality between unequals, the dwarf must be raised to the height of the giant . . It will be a misnomer to call the process one of racial discrimination There is no such question There is room enough in our country for every British man, woman and child, if they will shed their privileged position and share our lot" And again "In almost every walk of life the Englishman by reason of his belonging to the ruling class occupies a privileged position It can be said without fear of contradiction and without exaggeration that he has risen upon the ruin of India's commerce and industries The cottage industries in India had to perish in order that Lancashire might flourish The Indian shipping had to perish, so that British shipping might flourish" Is the shipping not to revive and rise to its full height in a free India?

26 Swadeshi—True and False (Articles printed from *Young India* and *Harijan*, by Gandhiji and others), 1939 This pamphlet gives a list of names of foreign companies of this type

(2) What are Indian or Swadeshi Companies? It has become a fashion nowadays to bamboozle the unwary public by adding "(India) Limited" to full-blooded British concerns. Lever Brothers "(India) Limited" have already their factories here now. They claim to produce swadeshi soap, and have already ruined several large and small soap factories in Bengal Then there is the Imperial Chemicals "(India) Ltd." which has received valuable concessions This is dumping foreign industries instead of foreign goods on us.

(3) Then there are companies with Indian Directorate with British Managing Agents who direct the Directorate Would you call a company with a large percentage of Indian Capital and a large number of Indian Directors on the Board but with a non-Indian Managing Director or non-Indian firm as Managing Agents a Swadeshi concern?

Gandhiji dealt with these points fairly exhaustively in his reply which may be summarised below in his own words:

(1) On this point I am glad you have reminded me of my article written in 1931 I still hold the same views, and have no doubt that a free India will have the right to discriminate—if that word must be used—against foreign interests, wherever Indian interests need it.

(2) As regards the definition of a Swadeshi Company, I would say that only those concerns can be regarded as Swadeshi whose control, direction and management either by a Managing Director or by Managing Agents are in Indian hands I should have no objection to the use of foreign capital, or to the employment of foreign talent, when such are not available in India, or when we need them, but only on condition that such capital and such talents are exclusively under the control, direction and management of Indians and are used in the interests of India. But the use of foreign capital or talent is one thing, and the dumping of foreign industrial concerns is totally another thing. The concerns you have named cannot in the remotest sense of the term be called Swadeshi Rather than countenance these ventures I would prefer the development of the industries in question to be delayed by a few years in order to permit national capital and enterprise to grow up and build such industries in future under the actual control, direction and management of Indians themselves.

(3) Answer to this is contained in my answer on the second point

Reference was made to the interview given by Gandhiji to Shantikumar Morarjee, Gaganvihari Mehta and Mansukhlal Master

in an article which Gandhiji's Secretary, Mahadev Desai, wrote in the weekly Harijan.[27] In this article he clearly expounded Gandhiji's views on "(India) Ltd." and "Swadeshi (Indian) and Videshi (foreign)" On the publication of this article, in accordance with this view of Gandhiji's, the Indian National Congress also took steps to record its opinion publicly in the form of a resolution, for the guidance of the Indian public At the suggestion of Walchand, Mansukhlal Master called on Sardar Vallabhbhai Patel, Jamnalal Bajaj, Shankarlal Banker, Jairamdas Daulatram, Babu Rajendra Prasad, and others In the first week of April 1938 a meeting of the Congress Working Committee was held in Calcutta, at which on Walchand's suggestion a resolution was approved, modelled on Gandhiji's views, which clarified the Congress standpoint on these matters In the English, Hindi and Gujarati issues of his weekly *Harijan*, Gandhiji published this resolution in full, following it with two strongly critical articles (27 8 1938 and 3 9 1938) from the pen of Chandrashankar Shukla, under the caption "The Menace of (India) Ltd" He personally wrote an article (25 2 1939) under the title "True Swadeshi", which clarified the meaning of that adjective In this he concluded with the words "I do hope that those Ministers and others who guide or serve the public will cultivate the habit of distinguishing between true and false Swadeshi"

On getting the true connotation of "Swadeshi and foreign" and "(India) Ltd" authoritatively diagnosed and publicly clarified, Walchand combined Gandhiji's articles about them, and the resolution approved by the Working Committee of the Indian National Congress at its Calcutta session,[28] in a pamphlet,[29] of which he printed

27 'Swadeshi Industries and Discrimination,' Mahadev Desai, *Harijan*, March 26, 1938

28 This resolution reads as under

The Working Committee view with grave concern the rapid increase in the number of companies owned and managed by the foreign nationals and describing themselves with designations such as 'India Ltd' or similar words in the hope, or with the object, of being regarded as genuine Indian concerns The establishment of these companies has the effect of robbing India of such advantages or benefits as are expected from the policy of discriminating protection which has been pursued by the Government of India for the development and growth of Indian industries

The Congress has always opposed the new Constitution, not only because it is a negation of political freedom, but also because of the inclusion in the Constitution Act of provisions described as safeguards against discrimination The Working Committee are of opinion that these provisions are not in the interests of India, but are intended and calculated to preserve to foreign nationals, and particularly British capitalists, the exploitation of natural wealth and resources of this country The Working Committee maintain that India has the right to discriminate, if that word must be used against non-national interests, whenever the interests of India demand or require it The Working Committee have no objection to the use of foreign capital or to the employment of foreign talent when such are not available in India or when India needs them, but on condition that such capital and such talent are under the control, direction and

thousands of copies in four languages—English, Hindi, Marathi and Gujarati—published them on behalf of the Indian National Steamship Owners Association, and distributed them free of cost In this pamphlet (p 6), agreeably to the definition of *swadeshi* by Gandhiji and the Congress Working Committee, he plainly declared and forcefully brought it to the public notice, that of the steamer companies plying on the Indian coast, only eight ought to be considered as "Swadeshi" [30]

The sight of this publicity campaign started by Walchand filled the British merchants camp with fury The directors of the Bombay Steam Navigation Company and its Managing Agents Killick Nixon and Company flew into a rage. They on their side started a publicity counter-campaign The Konkan Coast rate war rose to fever pitch Later, as wiser counsels prevailed among the directors of the Bombay Steam Company, they proposed that Government should settle the question of carriage on the Konkan coast by appointing arbitrators Accordingly Government asked the Indian Co-operative, the Ratnagar and the Bombay Steam to suggest the names of their respective arbitrators The Indian Co-operative and the Ratnagar at once proposed the name of Sardar Vallabhbhai Patel-as sole arbitrator Yet for a long while the Bombay Steam neither suggested any name, nor indicated whether it accepted or rejected Sardar Patel After some days had elapsed, on March 23, 1938 the Indian Co-operative Steam Navigation Company sent a letter to the Bombay Steam Navigation Company requesting that "Since, as we understand,[31] you do not accept our suggestion that Sadar Patel

management of Indians and are used in the interests of India
The Working Committee are further of opinion and declare that no concern can or shall be regarded as 'swadeshi' unless its control direction and management are in Indian hands The Working Committee would prefer to delay the further development of Indian industries, if it can only result in the dumping of foreign industrial concerns who would exploit the natural resources of India The Working Committee therefore, hold that the development of India's resources should be achieved by building up industries under the control, direction and management of Indians, which is essential for India's economic independence

—*Harijan*, April 9, 1938

29 "Swadeshi" and 'Videshi" as applied to the Shipping Industry in India, 19 9

30 These companies were as follows (1) The Scindia Steam Navigation Company Ltd (2) The Bengal-Burma Steam Navigation Company Ltd (3) The Indian Co-operative Navigation and Trading Company Ltd (4) The Ratnagar Steam Navigation Company Ltd (5) The Malabar Steam Navigation Company Ltd (6) The Merchant Steam Navigation Company Ltd (7) The Eastern Steam Navigation Company Ltd (8) The Haj Line Ltd
It was at the same time made clear that the following companies are not *swadeshi* (1) The British India Steam Navigation Company Ltd (2) The Asiatic Steam Navigation Company Ltd (3) The Mogul Line Ltd (4) The Bombay Steam Navigation Company Ltd

31 At a meeting of the Bombay Steam Navigation Company's shareholders one shareholder

should be sole arbitrator, kindly inform us whom you would wish to be the other arbitrator on your behalf " A long period elapsed without any reply to this letter from the Bombay Steam.

Eventually, after a lot of commotion over the business, the Bombay Steam made the suggestion that a board of arbitrators should be appointed from all the twelve companies, Indian and foreign, operating on the West coast of India Walchand perceived the catch in this: the number of foreign companies being greater than the Indian companies, the Bombay Steam would find it simple to get a decision of their own choice. Walchand advised Government that "since the questions at issue have no relevance for anyone apart from the three companies: Indian Co-operative, Ratnagar and Bombay Steam, the arbitrators should be appointed only by these three" Government agreed with him, and accordingly asked the Bombay Steam to select its arbitrator.

Bombay Steam vigorously pursued its rate war on the Konkan coast This was naturally having an adverse effect on the shareholders' income, and was making them anxious Walchand perceived this, and publicly reassured them "Do not feel anxious", he said "This quarrel is being deliberately fostered by Bombay Steam's foreign Managing Agents in order to achieve their own selfish ends As a result of it, I am aware that loss is being caused to Indian shareholders But so long as the Konkan coastal carriage is not under unified management, this is going to happen If it continues, not only the Bombay Steam's shareholders but the Indian shipping business will suffer increasing damage And so, by co-operating with those who refuse to join hands with foreign managers, who have hopes for the welfare of Indian shipping and slave their guts out for it, the shareholders will be able to save themselves The Scindia Company is always alert to save shareholders like these. It is with the sole heartfelt object of enabling Indian shipping to expand and grow ever stronger, that the Scindia Company continues to offer relentless battle to the foreigners."

In the above statement Walchand was suggesting that three steamer companies on the Konkan coast were under a unified policy, and that the machinations of the foreign managing agents were coming in the way of mutual goodwill and co-operation He was

expressed the view that since Sardar Patel was particularly devoted to the interests of the Indian Co-operative and the Ratnagar, his name should not be approved Neither the Chairman nor any of the Directors of the Company objected to this statement, but all remained silent Some of those who witnessed the affair felt that Sardar Patel had been insulted

hinting that if the foreign managing agents were eliminated, the present unhappy situation would be happily removed. This claim of Walchand's appealed to many of the Bombay Steam shareholders. Seeing this, he sent letters to the shareholders on May 26, 1939, suggesting that those who felt that the rate war should be stopped and goodwill created among the steamship companies operating on the Konkan coast, should sell their shares to the Scindia Company and give it the power to foil and defeat the policy, held by the Bombay Steam's directors and the foreign company which possessed its managing agency, of destroying the welfare of Indian shipping. Such power could be acquired only if the majority of shares in the Bombay Steam passed into the possession of the Scindia Company In his letter to the shareholders, Walchand plainly stated that· "With a view to inspire further confidence in all concerned that our interests are identical with the interests of the Bombay Steam and the interests of all those who wish to advance the cause of national shipping and to show that we are equally concerned with them in the prosperity of the Bombay Steam, the Board of the Scindia Company have decided to increase their holding in the Bombay Steam Although the present market quotation of Ordinary Share of the Bombay Steam is about Rs 220/- and that the Preference Share is about Rs 285/- (and have been in that neighbourhood for a considerable time) the Scindia Company, having faith in the future of that Company, have decided to offer Rs 300/- per share The Scindia Company, therefore, makes an offer to the shareholders of the Bombay Steam that it will purchase upto 8,000 ordinary and/or preference Shares of the Bombay Steam at Rs 300/- per share provided that the share certificates with necessary transfers are delivered to the Company's Bankers, the Central Bank of India Ltd, by or before the 30th June, 1939, and are duly transferred to the joint names of Mr Walchand Hirachand and Mr. Shantikumar N Morarjee on or before the 30th August, 1939 As the Company has decided to buy up to 8,000 Ordinary and/or Preference Shares at present, the Company's Bankers will stop receiving transfer forms and share certificates as soon as applications for transferring 8,000 shares are received even before the 30th June, 1939"

The Scindia Company had already purchased some shares in Bombay Steam If Bombay Steam was to be freed from the clutches of foreign managing agents, it was necessary for the Scindia Company to acquire a dominating majority of votes. For this, the next step

was to decide upon a plan[12] for purchasing a majority of shares.

The letter sent by Walchand to the Bombay Steam Navigation Company's sharehoders was seen to have a good effect upon them. The Scindia Company got possession of 9,142 shares (7,547 Ordinary and 1,595 Preference) of the Bombay Steam valued at Rs. 26,15,498-15-0. On making this solid preparation, Walchand took Sardar Vallabhbhai Patel's advice and, with Ghanshyamdas Birla as intermediary, began to approach Sir Chunilal Mehta and Sir Purushottamdas Thakurdas, both directors of Bombay Steam and Killick Nixon, about cancelling Killick Nixon's managing agency for Bombay Steam and giving this to the Scindia Company Killick Nixon had a twenty-year agreement with Bombay Steam, out of which nine years were up In view of the average agency commission which Killick Nixon would have received from Bombay Steam during the remaining eleven years—about fourteen lakhs of rupees —Walchand indicated his readiness to pay this amount by way of compensation Killick Nixon's majority of European directors were at first against this; but presently, under the influence of time and circumstances, the pro-Scindia feelings of Bombay Steam's shareholders, the growing strength of political agitation in India, and the Common Man's sympathy with the Indian Co-operative and the Ratnagar, they saw the advantages of coming to terms with Walchand They took the business-like view that, rather than face continuous loss by keeping up the competition, it would be more prudent to accept the proffered compensation

The Annual General Meeting of the Bombay Steam Navigation Company was held on December 20, 1939 Here it was duly resolved to give the Bombay Steam's managing agency to the Scindia Company Later, with a unification of freight rates and other activities between the Indian Co-operative, the Ratnagar and the Bombay Steam, and unanimity of policy, with the idea of making an end of the previous mutual rivalry on the Konkan coast and enabling them to move about freely, Ghanshyamdas Birla was appointed on behalf of the Indian Co-operative and the Ratnagar, and Sir Purshotamdas Thakurdas on behalf of Bombay Steam, to reach a settlement as arbitrator. Sir Purshotamdas Thakurdas was on excellent terms with the European merchants, and his word carried weight even on the Board of Killick Nixon The exceedingly judicious and shrewd Sardar Vallabhbhai Patel was well aware of all this, when he won

12 The task of purchasing the shares for the Scindia Company on this plan, was assigned to the Central Bank of India Ltd

over his sympathy for Scindias, using Ghanshyamdas Birla as a go-between. The benefit of this was reaped, to an excellent degree and much beyond his expectations, by Walchand

The close of December 1939 saw an end, once and for all, of the rate war between the steamship companies on the Konkan coast The deadly mutual rivalry of many years was buried And the Scindia Company, no less than the Indian Mercantile Marine, grew in strength

18.

SCINDIA HOUSE

IN 1938, one year previous to the termination of the rate war of the Konkan coastal steamers and the establishment of peace, an ambition which Walchand had long cherished in his shipping business was fulfilled before the world This ambition was that the Scindia Company's building should stand on Ballard Estate, line for line exactly like the foreign steamship companies' huge buildings, over which his eyes should behold the flag of victory proudly and grandly flying for ever as a symbol of India's merchant shipping In 1936, on this Ballard Estate, he had erected a fine building called "Construction House", from which he could pull the directing strings of his building and other interests Quite close to this building, he had long been eager to create a separate building for the Scindia Company, of the Company's ownership, from which he could conduct the management of his shipping business also

When the Scindia Company was founded, its office for the first three years was in Ismail Building on Bombay's Hornby Road. Later, it was shifted to Sudama House on Ballard Estate In May 1936 the owner of this house, Mrs. Bachubai Harjeevan, put it up for sale ; if the Scindia Company was prepared to purchase it, she was prepared to let it go for Rs 2,81,000/- Considering this a good bargain, Walchand began to think of taking it. He asked Messrs. Kora & Bhat, Architects, to make a thorough and meticulous examination of the building, and give him their opinion After seeing their adverse opinion, as a result of their inspection, he began to feel that rather than purchase Sudama House, it would be better to go in for a completely new building. He accordingly obtained a site on Dougall Road, near by Construction House, got the foundation stone laid by the then President of the Bombay Provincial Congress Committee, Bhulabhai Desai, and began to erect a fine five-storeyed building, which was completed in December 1938

How strange is Fate! The Scindia House of that very Company which Lord Inchcape had tried to root out and destroy, rose up just a stone's throw from his Mackinnon Mackenzie Building. It stood as a monument to the joint unflagging devoted industry of Narottam Morarjee and Walchand, of their gigantic measures to gain an honoured place for India in the field of maritime transport and the shipping industry, on an equality with the foreigners, and to bring the vanished glory back to the coast of India Not a stone of it but was a page in the history of the bitter fight which Narottam Morarjee, Walchand and their associates fought against the foreigners, undismayed by twenty years of difficulties and obstacles, not yielding to opposition, not caring for hostile criticism or Government's negligent approach, unperturbed by the rivals' crafty ways, and keeping a steadfast faith in their ideals, for the revival of the Indian Mercantile Marine. As it stood on Dougall Road, Scindia House seemed as it were to point a finger at the people of India, and say

> 'Nor costly jewels made the Gods to pause,
> Nor shrank they from the terror of the poison,
> Until they won the nectar; thus, the brave
> Nor rest nor pause until their goal be won.'

"As you look on Walchand's heroic achievements in erecting me here, you, as well as future generations, will appreciate the aptness of the poet Bhartrihari's words."

Scindia House was formally opened on December 23, 1938 at the hands of Sardar Vallabhbhai Patel. While recounting the story of the attempts made by the Scindia Company to revive the Indian Mercantile Marine, in his introductory speech, Walchand said: "Shipping is the only important industry which received not the slightest protection from the Government of the country. It is, however, the active support of the public and the continuous goodwill of the shippers which have enabled us to pass successfully through the several struggles that were inflicted upon us It is some satisfaction that while we began with the carriage of lac of tons of cargo on the coast twenty years ago, we were fortunate in carrying a little over 11 lakhs of tons on the coast last year, but I want you to remember that with all these struggles and all these efforts Indian shipping has not secured even 20 per cent of its share of cargo or 8 per cent of its share of the passenger traffic on the coast While barring the recent efforts which we have made of serving the Haj traffic, Indian shipping has no place whatsoever in vast overseas maritime trade of the country. Even in this Haj traffic, a traffic

which Indians can rightly claim as their own as it emanates from India, terminates in India and is concerned with the carriage of our Muslim brethren across the seas, the Mogul Line has been carrying on a severe rate war against us Al though our entry into the Haj service has been welcomed by all and particularly by the Muslim leaders and the Port Haj Committees and the Haj pilgrims themselves and although they have urged upon the Government of India to see that our Company is not driven out of that field, it is a matter of deep regret that the Government of India have not taken any effective and practical steps to ensure our future position in that traffic and thus redeem, even to some extent, the promises which they have repeatedly given of securing an adequate share for the national shipping in the overseas trade of India. We cannot, therefore, minimise the seriousness of the struggle that lies ahead of us
fore, minimise the seriousness of the struggle that lies ahead of us
continuous efforts will have to be made

"The difficulties that lie in our path are, however, stupendous and overwhelming While the Dominions have got the power under the Statute of Westminster to regulate their coasting trade as they like and have got the right to discriminate even against the ships of Great Britain, if they consider it necessary to do so, not only have we no power even to regulate our own coastal trade, but on the contrary our Government cannot even help us financially to enable us to stand against the oppression of our rivals We cannot take any pride in the working of the so-called Empire Maritime policy, because while various burdens, obligations and duties have been imposed on us, in pursuance of that policy, every right, privilege and opportunity which will make India an effective maritime unit has been denied to us Apart, however, from the above constitutional fetters on the development of Indian shipping, even the policy of 'negotiations, co-operation and goodwill' has miserably failed We have not lost a single opportunity up to now in seeing the Secretaries of State, the Viceroys, the Commerce Members and all other authorities who can help us in furthering the cause of Indian shipping and we have always offered our earnest and active co-operation to all of them as well as to others in the solution of the problems connected with the building up of an effective Merchant Navy. But despite all our best endeavours and despite all our co-operation, the progress which Indian shipping has made is extremely disappointing and the position which it has now to face is really very serious The Government cannot help us or do not help us and the policy

of negotiations has been barren of any useful results. Such, in short, is the situation which we have to face We have got our plans for building our ships in our own country and we want to lay out our own ship-building yard for that purpose We are anxious to start our own fast passenger service between India and Europe We want also to have our due share in the overseas trade in India, so that apart from serving the trades of our country, we may also help her in her invisible export These are our dreams for the immediate future. The task that we have set before us is really a hard one but with the continuous support of the country in the future as in the past and with faith in the justice of our case we hope to expand our activities in various directions and thus contribute our share to the building up of an Indian Merchant Navy which will add to the greatness and glory of a free India of the future

"SCINDIA HOUSE stands before us today as the first triumphant expression of India's heroic struggle for realizing its ideal for building up a national merchant marine and embodies her undying faith in its complete and glorious fulfilment Its very stone reminds you of the romantic flights of Indian shipping and radiates the stimulating spirit of its invigorating nationalism Sardar Vallabhbhai, may I now hand over this key to you and request you to declare the 'SCINDIA HOUSE' open ?"

Sardar Patel took the key and inserting it in a golden lock on the main door, announced "Fortified by the blessings of you all, I declare this splendid building open" The door opened, and on the instant the blue Scindia flag, with its red Swastika lying diagonally on a white circle, was broken at the flag-staff and fluttered haughtily from the roof of the building At its side, the flags of Scindias' associated steamship lines fluttered in company

For a moment or two the whole tent re-echoed to the clapping of hands Every eye was moist with mingled pride and wonder On seeing the dream of twenty years fulfilled, the breasts of Walchand's friends and colleagues were filled with joy. Most of all were the hearts of all made glad with a sense of satisfied achievement by Sardar Patel's opening words .

"In the romantic history which Shri Walchand has related to you today he has only omitted his own name and work. How untrue the Ramayana would read to us if anyone omits all that Shree Rama did and achieved ! Shri Walchandbhai's contribution to the progress and development of this Company during the last twenty years is

what the contributions of Ramachandra are to the story of Ramayana. His great capacity, courage, patriotism and ceaseless endeavours for the good of the Company deserve the highest praise. It is indeed a great fortune for the Scindia Company that it has got such a patriotic man at the helm of affairs."

From the moment when messages of congratulation and encouragement for the Scindia Company began to be read out—from that year's President of the National Congress Subhas Chandra Bose, from the pattern of young India's hopes and aspirations Jawaharlal Nehru, from the Chief Ministers of all the States, and from prominent leaders in various fields—the atmosphere inside the tent was rocked by living and inspiring waves of joy and patriotic pride And when Sardar Patel in his usual bitingly critical fashion flayed the robber mentality of the British merchants, the contemptible conduct of certain Indian merchants who joined hands with them for a paltry selfish gain, and the fissiparous policy of the British Government which protected them under a shield of special privileges; when he thundered "India does not desire to capture or control anyone else's coast but she certainly and legitimately desires to reserve and control its own national shipping But there are persons in India who are prepared to defend the interests of foreigners for the sake of a little monetary reward Even in this City of Bombay there are merchants of this character But I wish to state plainly to all those and others that the domination of the foreigners is not going to run for any length of time, on the basis of safeguards, if the foreigners persist in this course there is no power on earth which can prevent India from breaking these safeguards to pieces," men felt for an instant as if those waves had swollen into a mighty ocean billow of challenge

The day dawned that will go down as golden and glorious, not only in the history of the Scindia Company, but also in the maritime history of India It was but natural that the idealistic, generous and patriotic man Seth Narottam Morarjee whose power, not merely financial but also spiritual, was responsible for its dawning, should be remembered every moment by all And when his classmate and boyhood's friend, Bhulabhai Desai, unveiled a large-size statue of him erected in the entrance hall of Scindia House, and exposed him to view, the memory grew yet brighter in the hearts of all Every head bowed before the statue in respect.

The faces of Walchand and his co-workers shone with the satisfaction of duty done . while at the same time, their hearts

continued to glow with the knowledge that much of the road to Journey's End was yet untravelled. "Do not rest on your oars in careless ease," that flaming glow told them, ever spurring them ceaselessly on. "Do not sit and tot up the mileage you have so far covered. A vast distance stretches ahead of you Shift your shanks right smartly, and get going !"

19.

AN ATTEMPT TO SET UP A SHIPYARD

If the shipping industry in India was to make steady progress, yards for building steamers and repairing them were clearly called for To this topic Walchand and Narottam Morarjee had been giving thought ever since the founding of the Scindia Company. In 1919, despite the impossibility of immediately starting a ship-building yard, with the idea of starting a plant for repairing ships through up-to-date machinery and seasoned engineers, they had brought the celebrated shipping engineer Knudsen from England to Bombay, but his sudden demise had obliged them temporarily to shelve the idea With the erection of Scindia House in 1938, Walchand once more sought to carry his former idea into effect He commenced talks on the subject with the Government of India.

The steamers required by the Scindia Company were built, in many cases, keeping in mind the special facilities which the Company found necessary Walchand always felt that if these steamers could be built in India, not only would their cost be considerably lowered, but at the same time his fellow Indians would naturally get training in that work, many people would obtain new employment, and the national production would see a substantial rise

In this connection the example of Japan was before him In Japan, a mercantile marine was established for the very first time in 1873 This year saw the foundation of a steamship company called the Mitsu-bishi, which started with ten steamers In the beginning it carried freight between the ports of Tokio, Osaka and Koshi At first the Japanese government neglected its operations, and consequently the Mitsu-bishi Company had to carry on with great difficulty In 1877 Japan made an expedition against the island of Formosa, on which occasion it felt a keen need of steamers. The Mitsu-bishi Company then handed over all its steamers to the Government of Japan, but a fleet of that size was inadequate for

the latter's needs The Government bought an additional thirteen steamers from foreign firms for the transport of its troops. The Mitsu-bishi Company also bought a further ten steamers and gave them to Government.

This incident made the Japanese Government clearly perceive the importance and vital necessity of having an independent mercantile marine for their own country, from the point of view of the nation's strength and safety On the conclusion of the Formosan expedition, while returning the Mitsu-bishi Company's ships, Government added by way of gift the thirteen steamers which it had purchased Furthermore, it began to supply yearly aid as an encouragement. Seeing the help given by the Government to one steamship company, new steamship companies began to arise in Japan One large company arose, named the Kiodo-unyu Fierce competition began Its effect on the industry would, as could be seen, be adverse Government took up the question It formed a company under its control with fixed capital, called the Nippon-Yusen-Kaisha. and merged the Mitsu-bishi and the Kiodo-unyu with it This Company is known as the N Y K for short One quarter of its capital belonged to the Government, which took a guarantee for the payment of eight per cent interest on the balance of the share capital In 1898, seeing that the Company was flourishing, Government handed it over to popular management, while retaining a purely nominal control In 1896 the Company owned 63 steamers with a tonnage of 1,26,450 Through Government's help it soon commenced transport to India, Australia and Europe In 1893, in association with Tatas, it first started the Kobe-Bombay Line In exactly similar fashion to this company, a large company appeared named Osaka Shosen Kaisha

In Japan, the shipping industry had now begun to shoot up rapidly The 140 steamers of the Nippon-Yusen-Kaisha alone sailed various sea routes to eighty ports In the light of this growth and expansion of transport, the Government of Japan began to think it would be profitable from the financial angle, rather than buying steamers from abroad, to build them at home In 1896, it passed the Ship Building Encouragement Act, and embarked on the furnishing of assistance for the building of steamers and the establishment of dockyards. In fact, this assistance was given only to Japanese nationals and those whose companies were registered in Japan itself In particular, it was given first and foremost to steamers plying along the Japanese coast For all those receiving this assistance there was

a strict injunction that they must make arrangements to train Japanese sailors on their ships in navigation and nautical science This resulted in a supply of nautical men and engineers of the high standard required for a Marine The Japanese shipping industry achieved self-sufficiency. The 1,51,773 tonnage of 1893 had grown as high as 40,10,381 in 1927, the hundred odd steamers had become 3,561 The steamer-building industry had also grown in the same proportion In 1926 Japan had 326 steamer-building yards, 76 docks, and three floating docks. In the world's shipping industry, Japan had now taken the third place "Before the Sino-Japanese war of 1894, 8% of commercial cargoes leaving Japan were carried in Japanese steamers, ten years later it reached 37%, and by 1928 it had swollen to 72% Japanese steamers had also got hold of 63% of incoming cargoes"[1]

Japan's advance in shipping over a mere 53 years was enough to make anyone's eyes open wide in astonishment It was a shining example of what can be done when a country is free and its government is progressive and wide awake Walchand placed the Japanese example before the Government of India, while raising his voice to plead for giving encouragement to ship-building But his pleas were found to fall on empty air, and Government continued to talk in terms as vague and inconclusive as ever

The policy of Scindias, and particularly of Walchand, was that the formation of a strong Marine must come first, plants for ship-repairing must come afterwards, and after these again yards should be set up for building ships In 1935, when the termination of the rate war with the B I brought him a modicum of leisure, Walchand began to think of starting a plant for repairing steamers With this in view, he first approached the Bombay Port Trust, but numerous difficulties cropped up in the matter of acquiring a suitable site There was no prospect of anything positive being achieved Walchand then met at Calcutta the Executive Chairman of the Port Commissioners, Sir Thomas Elderton, and requested him to let him have a site somewhere on the bank of the River Hooghly The man however appeared to be averse from giving assistance in the matter In 1937 it chanced that one of the Scindia engineers noticed a very large unoccupied area quite close to King George Dock This was convenient for setting up yards to repair and build steamers, and the Deputy Chairman of the Calcutta Port Trust Commissioners admitted as much However, when actual negotiations began, and

1 Sir M Visvesvaraya *Planned Economy in India*, p 116

the question arose of what rent should be paid, it became evident that the Port Commissioners' Chairman had no mind to let the plot go to an Indian firm. He proposed an enormous rent—Rs 38,000/- per annum, with increases that would bring it to three lakhs at the end of thirty years.

The demand for rent proposed by Chairman Elderton left Walchand not one whit dismayed. Without expressing either rejection or acceptance, he instituted attempts in Delhi and Simla to get a proper rent fixed And when the then Commerce Member Sir Zafrullah Khan paid an official visit to Calcutta, Walchand showed him the site and apprised him of his attitude regarding the rent. Walchand's case appealed to Sir Zafrullah, but he was not able to convince Sir Thomas Elderton The talks went on for six months, without result Thereupon Walchand let the idea of that site drop.

The Second World War had now entered on a vigorous phase Hitler's submarines and Hitler's aeroplanes were shattering Britain's mercantile marine The rate of sinking of British steamers was three times the rate of building in British ship-yards, and more than twice the combined output of the ship-yards of Britain and America together [2] In time of war, it was held, a mercantile marine constitutes a country's second line of defence, and that defence can remain efficient and tenacious only in so far as this line continues strong and inviolate [3] It was this realization which made America, Britain, Canada and Australia build ships to their maximum capacity, day and night

India alone, with all its potentiality, remained inactive in this respect With the object that India too, in the same way as countries like America, Britain, Canada and Australia, should start to build ships as a war effort, Walchand even placed a scheme before Government, to which he was coldly informed that "Government does not consider that ship-building should receive encouragement as a War

2 President Roosevelt declared on one occasion "The present rate of Nazi sinkings of Merchant-ships is more than three times as high as the capacity of British shipyards to replace them It is more than twice the combined British and American output of Merchant-ships today "

3 The necessity and importance which a country like America attaches to a mercantile marine, from the standpoint of national defence, can be gathered from the following remarks in the Preamble to its Merchant Marine Act of 1920 "It is necessary for the national defence and for the proper growth of its foreign and domestic commerce that the United States shall have a Mercantile Marine of the best equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ultimately to be manned or operated privately by citizens of the United States, and it is hereby declared to be the policy of the United States to do whatever may be necessary to develop and encourage the maintenance of such a mercantile marine "

effort". Such a chilling reply was an illustration of the Latin proverb that "whom God wishes to destroy, he first makes mad" Of a Government which could behave like this when utter ruin stares it in the face, what else can we say, but that it has gone mad ? Caught fast in the grip of British imperialist capitalism, the attitude of the Government of India of the day was, "no matter if we are destroyed, but we will not allow the people of India to raise their heads"

Walchand recognized this niggardly attitude of Government for what it was He neither abandoned hope nor changed his plan. He continued to scour the coast of India for some other site ; and in a very short time his efforts were crowned with success The story of this success is as hair-raising as it is deserving of being inscribed in letters of gold in the history of the formation of the Indian Marine The story will be told elsewhere in its appropriate place

20.

INDUSTRY OPENS A NEW CHAPTER

IN the course of his business travels, whether in India or in many outside countries, Walchand realized again and again how necessary and essential it is, if a country is to develop industrially and economically, to rely on swift and up-to-date means and systems of communication

Although more than a century had elapsed since the dawn of the Machine Age, India had been able to effect little change in her ancient means and systems, and Walchand noted with regret that while the outside world was trying to make more and more use of natural power sources, India was still meeting her requirements from man-power and animal-power No doubt, in the more than three quarters of a century since the Indian Railways began, the volume of rail communications had increased, and yet, looking to the facts of India's geography, her railways were grossly inadequate With an area fifteen times that of Great Britain, India cannot have had more than twice her length of rail track; and if we look to the railroad mileage of the United States of America, we might doubt whether India's mileage would reach even one-sixth of it

As for the Government of India, it laid down railway lines with the simple object of providing swift and easy movements of troops, and of facilitating the import and export of goods from and to foreign countries via the coastal ports The conception that the railway should be ancillary to the growth of the country's industries and commerce was quite foreign to it. Mostly the railway is found to be laid along the main imperial roads Government affords no indication of the policy of creating convenient communications, after laying the main track, for the hinterland. The broad and nation-building view of maintaining uninterrupted communications, for the whole year round if possible, from the villages to the market towns and taluka headquarters, which would be convenient to the traders and farmers, and give them easier transport for their goods and field

produce at low cost, has never entered Government's thinking. This accounts for the groundless difficulties and complications which we see. The above situation was brought forcibly to Walchand's attention in 1921, when he made a cross-country car trip through many parts of India

In 1920 Walchand had stayed for a long while in Bengal on contract business It was about this time that he secured the agency of a jute mill over the heads of the European brokers He and his wife had been setting up house in Calcutta's Howrah district. He had been considering the idea of settling down there and concentrating on the jute trade This trade brings in profits on a lavish scale, and had been completely captured by the European brokers Walchand's entry into the field proved a headache to them Recognizing that it would be difficult to get rid of Walchand by competition in the open, they all combined to offer him his own price, and thus got the agency for themselves

There was now no reason for Walchand to stay on in Calcutta On breaking up his home there, he decided, instead of going straight to Bombay by train, to make a car trip One of his close friends, Krishnarao Harischandra Goregaonkar, a solicitor, writes in a memoir as follows· "Instead of taking the train, he thought of going by car and having a look at the whole country , and with the idea of having some company, he approached many of his acquaintances, but the shortage of petrol at that time deterred them all from the enterprise Eventually he came to me To his surprise (which he confessed to my face) I immediately said yes I went to Calcutta as arranged The three of us—the Seth, his wife and I—with five servants left Calcutta in three cars on November 20. 1921, spent three weeks going about north and south, east and west, visiting many places and seeing their factories, etc , and reached Bombay on 12 December On our way we visited a number of large cities, e g , Dhanbad, Ranchi, Jamshedpur, Gaya, Benares, Katni, Jubbulpore, Gadarwara, Lalitpur, Jhansi, Sipri, Indore, Dhulia, Malegaon, Atgaon, etc , and saw as much as we could of them and their factories. While in Jhansi City, the Seth inspected its European-managed Indian Hume pipe factory On our way we went to Katni and saw its cement factory which was then fairly new "[1]

The experiences which Walchand obtained, and the close observations which he made on this trip, brought him to realize,

[1] "Career of the late Seth Walchand" , *Vaibhav*, Special Seth Walchand Commemoration Issue, July 1953, pp 12-13

more than ever, how urgent and essential it is to solve the problem of communications in an up-to-date fashion Henceforth the subject was always close to his heart, and his mind was constantly engaged in thinking about how it could be solved from the viewpoint of the country's ultimate benefit In every one of his journeys abroad, he took every opportunity of making a close inspection and study of the various Western countries' means of communication, the improvements which they were effecting therein, and the experiments which they had initiated. This must be brought to pass, he felt, in his own country, to which end constant efforts must be made ; and with this idea he began to frame numerous schemes and to hold discussions with individuals of like views

Prominent among these individuals was Sir Mokshagundam Visveswarayya, a man who exactly shared Walchand's passionate desire for India's awakening in all branches of industry In his mind he had already fully decided the route to be followed and the sort of schemes to be framed and adopted, in order to make India's economic development possible This decision he had propounded to his fellow countrymen in 1934, in a book published under the title of "Planned Economy for India", wherein he had suggested a ten-year plan for the economic development of the country Sir M Visveswarayya was the first person in India to expound ideas for a scheme of economic development on a scientific basis He was as seasoned and far-sighted a statesman as he was an engineer of wide and varied experience He was one of those rare individuals who believe in "Act first, talk afterwards"; His intellectual make-up showed a happy amalgam of ideas, planning and creativity The two States of Hyderabad (Nizam's State) and Mysore show abundant constructions which bear witness to his outstanding qualities He was indeed the architect of modern Mysore Just like Walchand, he had seen many countries of the world with his own ever-curious eyes ; he had closely observed and studied how each of these countries was striving for its own economic awakening, and had thought deeply over it. He had toured the world beyond India five times On these tours, the picture of the state of the people in western countries, and that of the state of his own people, would leave him plunged in thought He would recall the ignorance, poverty, indolence, apathy and backwardness of the Common Man in his native land, and he would exclaim "When shall that new atmosphere be created, which shall sweep all this away and grant a new lease of life to our people ?"

While touring America in 1920, he paid a call on Herbert Hoover, who afterwards became President of the United States (1929-33). The man was at that time Secretary for Trade, and was deeply immersed in America's commercial development and self-sufficiency in food Hoover told his distinguished visitor how American agriculture, industry and trade had been rapidly forging ahead, and what was his own policy with respect to them On hearing this, Sir M. Visveswarayya asked him, "Why doesn't it happen like this in my country too ? Why should my countrymen stay backward ? What is wrong with them ?" Hoover replied, "You people have no hustle in you "[2] What Herbert Hoover meant was, "You people are slack, sleepy, and unwilling to take trouble" On returning from this trip, Sir M Visvesvarayya wrote a book called *Reconstructing India* and published it in 1920 At one place in it he says, referring to his own countrymen, "Why will the people of India not learn anything from the experience of other countries ? With these countries' example before them, why will they never exert themselves for their own uplift ? Why will they go on in their present ways for ever, getting weaker and weaker year by year ?"

Visveswarayya and Walchand believed in the same things Both possessed an inexhaustible mental force, an immense energy that never ceased from restless activity , both had an idealism and an optimism which never faded This is why, despite the twenty-one years' difference in age, they became fast friends It was a true case of "Like likes like" When they were together, they would open their hearts to one another, they would tell each other the fresh plans they were hatching for the country's welfare ; they would talk them over Their talk at one such meeting, with the special scheme which they afterwards drew up, and their efforts to implement it, were responsible for opening a completely new chapter in Indian industry

Since 1934, Sir M Visveswarayya had been toying with the idea of starting a car-manufacturing industry in India Bearing in mind his experience of other countries, he felt that such an industry would not only be helpful in reducing the nation's unemployment to a large extent, but would at the same time be efficacious for increasing its economic strength On Walchand's advice, Visveswarayya called a meeting of some selected leaders of Indian industry, presided over by Sir Naoroji Saklatvala, on April 5, 1935 at Tata's Bombay House in the Fort at Bombay At this meeting he put for-

2 Sir M Visvesvarayya *Memoirs of My Working Life*, p 126

ward a roughly detailed scheme, under the heading "Proposal to start an Automobile Industry", for an industry to manufacture cars The gist of the scheme was as follows:

"A car factory should be started after finding a place, like the Sewri area of Bombay, close to both a railway station and docks For this factory a capital of one and a half crores should be put up If we get hold of forty lakhs in the first year, we can start on the work For the next two years we shall need an additional sixty lakhs For the first few years we should turn out a five-seater 14 to 20 h p standard size car, with 112-inch wheel-base and four doors This should be in two models—tourer and saloon We should also make a passenger bus, a van, a lorry and a truck In the case of the passenger bus and the truck, it is not the seating or the body which is important, but the chassis If this is capable of carrying one and a half tons, it is sufficient The production of cars can be 3000 in the first year, 6000 in the second, and 10,000 in the third Cost of producing each touring car and lorry will be respectively Rs 1,500/- and Rs 1,100/- We can sell them respectively for Rs 2,000/- and Rs 1,600/- or more In the factory we should aim at a daily production in the beginning of 10 cars and 5 vehicles of other types Later we should try to raise these figures to 30 and 15 respectively

"Since this car manufacturing industry is being started in India as something entirely new, we should try to get Government to give it protection, financial aid and encouragement We should get the Government of India to raise the duty, which it fixes today, of 30% on British cars and 37½% on cars from non-Empire countries, for at least seven years Government should be made to place an extra-ordinary import duty on car bodies from foreign countries and lorry chassis, and we should get an official assurance that the military, railways and Government departments would purchase their requirements of cars from this indigenous company. In the factory's initial stage, there would be a risk in placing the financial burden on the share capital, and therefore arrangements should be made to secure a loan from Government and the Banks We should recruit from abroad, on a six-month term, technicians and engineers with experience of manufacturing cars and their component parts, and have Indian technicians and engineers trained under them We should arrange for up to 50% of component parts to be manufactured in India—preferably in our own factory With the co-operation of Tatas' steel works at Jamshedpur, and Bombay's Metallurgical

Workshops, this could be fixed up"

This particular meeting presided over by Sir Naoroji Saklatvala went so far as to give detailed consideration to Sir M Visveswarayya's scheme. There was an evident unanimity of opinion that to start a car-manufacturing industry in India would be profitable in itself, and would at the same time be an important factor in changing India's economic condition. In the first nine months of 1934-35, India imported from abroad 10,862 touring cars and 7,955 others This does not include component parts Here was a gamble to the tune of some four crores of rupees Taking this circumstance into consideration, all agreed that if a factory were to be set up in India for manufacturing cars and their components, it would find ample scope The meeting resolved that before starting such a factory, some expert should personally visit those foreign places in which the work of manufacturing cars was going on, and make a meticulous study, after which the scheme in question might be finalized Sir M Visveswarayya took this task upon himself

On June 6, 1935, Sir M Visveswarayya left on a tour of Europe and America He began by seeing the English factories of Coventry, Oxford, Birmingham, Derby, etc. His principal meeting was with England's principal motor manufacturer, Lord Austin, with whom he thoroughly thrashed out his scheme Lord Austin expressed his view that, considering Indian conditions, if cars were manufactured on the pattern of the American medium-sized car, or on that of his own Baby Austin, they could be popular and profitable; he also prepared estimated figures of production costs, along with detailed notes, for such manufacture From England, Sir M Visveswarayya visited Italy, Germany and France Here also he met the directors, managers, and technicians of the local factories, and got advice from them In Italy particularly he spent a number of days in Turin, inspecting the Fiat factory and making a meticulous study of its working methods

Next he went to America Here, while in New York, he met Mr Hilkoff a Russian engineer, stationed there, who was helping his Government in developing an automobile industry From this fellow he learned that, along with forty mechanical engineers like himself, he had come to America in order to learn motor manufacturing As was only natural, the two parties who had come there with a common purpose, exchanged ideas Those men said that, with such modifications as their country's needs required, it would be worth while to rely on American production methods; and

Visveswarayya shared this view He accordingly called on Charles Sorensen, Manager-in-chief of the Ford Motor Works, and on two celebrated technologists and directors of Detroit's General Motors Corporation, W. S. Knudsen and Kitteridge From them he obtained a scheme of the necessary steps to be taken, if an ideal motor factory was to be set up in India And not to rely on this exclusively, he got it checked separately by two expert mechanical engineers, W A Tookey and Frank F Beall, and only after obtaining their comments at length, and modifying his own scheme in the light of these, did he make that scheme final Of the above two engineers, the former was a Britisher and the latter an American.

On return from his trip (Jannuary 3, 1936) he called a meeting (April 17) in Bombay's Indian Merchants' Chamber, of industrialists keen on looking into this business, and placed his final scheme for their consideration After a good deal of discussion, and a detailed examination of all the various points raised by Sir M Visveswarayya, the meeting appointed a sub-committee of three—Messrs Manu Subhedar, A D Shroff and Cursetjee Limjee—to prepare a report

The Subhedar Committee presented its report to Sir M Visveswarayya on May 20, 1936 Although it broadly accepted the Visveswarayya Scheme, it expressed doubts on several points of detail, and offered its own independent proposals After sending this report to the industrialists connected with the automobile trade and considering their comments and (in some cases) criticisms, Sir M Visveswarayya addressed a memorandum by way of reply to the "Automobile Factory Committee" on August 25, 1936 His memorandum concluded with the following appeal

"There are few undertakings open to us to-day which promise such good results financially, or for which the time and conditions are more favourable This is an industry which in recent years has contributed most to the economic development of many a Western country In U.S A as is well known, it outranks all other manufacturing industries Here, inspite of our many resources and our proved success in some of the industries recently tried, like pig iron, steel, cement and sugar, we are afraid of making a beginning If this project is proceeded with, with the necessary unanimity and courage, success is well within our reach And if the Government also could be induced to co-operate, not only will success be certain but, what is more, the enterprise will contribute very materially to

the rapid industrial growth and wider technical efficiency of the country as a whole."

Sir M. Visveswarayya's assurances could not prevent a few capitalists and industrialists, who fancied themselves as economic and business experts, from entertaining numerous doubts and fears about the scheme "Under present conditions," they opined, "importing foreign-made cars and selling them pays better than manufacturing them in India" Of those who had shown enthusiasm and promised their co-operation when the scheme was published, many now showed a considerable absence of enthusiasm Not a few Bombay industrialists began to turn their backs on Sir M Visveswarayya.

Walchand had foreseen the way things would drift; as a wearer, he knew where the domestic shoe was pinching He perceived at once that these people had fallen victims to the secret machinations of the wily British merchants, with their skill at creating division Let others turn their back on Visveswarayya, he resolved, but he for his part would continue to support that gentleman's scheme He continued to watch for a suitable opportunity to give a powerful push to the Visveswarayya scheme That opportunity came right soon, in 1937

The British Parliament had approved an Act in 1935, setting up a Federal government in India, this Act introduced provincial autonomy in 1937 In eight[3] out of eleven provinces the Indian National Congress, having secured a majority in the elections, formed its cabinets Bombay was among the eight, and its Chief Minister was Bal Gangadhar Kher, while the Finance portfolio went to Walchand's friend of student days, Anna Babaji Latthe The Congress instructed its cabinets to take up the question of industrial revival in its own provinces with alacrity It also suggested the principles on which this revival should be conducted, and in this connection it further appointed in 1938 a committee of experts with Jawaharlal Nehru as Chairman, to give its cabinets the benefit of advice, planning and direction Later, under the name of the "National Planning Committee", by means of discussion, enquiry and research on a wider scale, it studied many crucial national problems, got others to study them, and presented reports from time to time Walchand and Sir M Visveswarayya were both members of this Committee Walchand perceived that the new propitious climate would be highly advantageous for launching the Visves-

3 Bombay, Madras, the United Provinces, Bihar, the Central Provinces, Orissa, the Frontier Province, and Assam

warayya Scheme, and he girded up his loins to set about giving direct assistance in place of the indirect assistance which he had been giving it hitherto

In the meetings of capitalists and industrialists which Sir M Visveswarayya called now and then, to consider the setting up of a car factory, Walchand usually played a silent role Many a time he would think, as he listened to the long-winded disputations there of certain individuals who thought themselves learned economists and business experts, "Rather than sit listening to this senseless chatter, our time would have been spent to better purpose at a cinema or a theatre; the mind would have been entertained and refreshed, and able to tackle its regular work with greater enthusiasm" His attitude was that once a man has approved a scheme, instead of wasting time in pointless discussion of it, he should promptly apply himself to thinking how to carry it into effect The man, he would declare, who properly understands the pith and core of a matter, and after estimating its validity and possibilities of development still cannot make up his mind and come to a decision, will never be capable of achieving any constructive act of a lasting and effective nature He had no patience with speakers who indulged in senseless rigmaroles without keeping to the main point Rambling speeches he could not stand He had no stomach for floridity, whether in speaking or writing "These people" he would declare, "are wasting their own as well as others' time" In his eyes, each moment was golden, and to lose a moment was like losing a grain of gold, as he constantly instilled into the minds of his colleagues and employees alike He insisted that just as every job taken in hand must be done punctually, it must also be done meticulously Muddle irritated him He showed no mercy to those who kept work in arrears on pretexts or imaginary difficulties Such men, he was well aware, lack effectiveness and self-confidence, and therefore he never found room for such as these in his industrial organizations, no matter how expert they might be, or how lofty the degrees they held Clock-watchers and go-easy types found no place with him.

When he saw that a year or a year and a half had elapsed since Sir M Visveswarayya had published his scheme, without anyone much coming forward to take an active part in it, the Walchand who had hitherto perhaps lagged somewhat behind in the matter, began to take his place beside the other and endeavour to bring the scheme to reality The scheme had already (May 7, 1936) been sent to the

Government of Bombay and the Central Government; but it still lay in their files. As soon as the Congress Party's cabinet took office, Walchand began to wake up both Governments in the matter.

When Sir M. Visveswarayya saw that his scheme had been taken up by Walchand in right earnest, his enthusiasm was doubled "Walchand," he would exclaim, "is a live wire in the industrial field". Only a Walchand, he was aware, could create the sort of active and efficient organization that was needed prior to the erection of the motor factory which his scheme envisaged, and put force and speed into that organization

Walchand began attempts, through personal meetings and correspondence, with the Government of India and the Government of Bombay Province, to get encouragement for this new industry's scheme, by way of contributions, concessions in taxes and transport dues, tariff protection, and in other ways The Government of India expressed their sympathy with this new industrial venture; but since their policy was the "discriminating protection" adumbrated by the Tariff Enquiry Commission which had sat in 1921-22, they plainly declared their inability to assist any industry which had not already proved itself, or to give any sort of assurances The fact is that in any developed country, when its government notices the advent of any new industry capable of assisting the nation's economic development, it gives without the least demur the very sort of assistance which Walchand was expecting from the Government of India In this context the examples of Germany and Russia are worthy of attention

When the German Government saw that its manufacturers could not withstand the prices of American cars, they set up a tariff barrier which American cars could not cross As for Hitler, when he became Dictator, he devised numerous measures to help and facilitate German car manufacture One of these was relief from certain special taxes for a period, to the purchaser of a German-made car The result of this kind of help was a brisk rise in the production of cars in Germany The figure of cars manufactured in Germany in 1932 was 52,000; in 1935 it was 243,000 and in 1938 it was 328,000

Russia, prior to 1930, had no manufacture of cars She had to rely on foreign countries, notably America In 1932 or so, the Soviet Government opened its New York office, and made a start by appointing some Russian mechanical engineers, whom it told to purchase the plant necessary for manufacturing cars and their requisite components, and to bring these to Russia These purchases

were completed through the help of the Ford Motor Company at Dearborn (U.S.A.). When Sir M Visveswarayya met Hilkoff, the leader of the Russian mechanical engineers in New York, in October 1935, he got this fellow to tell him about the arrangements for these purchases, and the methods relied on by the Soviet Government for the development of the car manufacturing industry He thus learned the following facts ·

In the first year Russia purchased all types of components needed for motor vehicles, and assembled from them 5,000 vehicles In the second year, purchasing 50% of components from outside, and making the remainder at home, she constructed 10,000 vehicles In the third year, she imported 25% of components from America and built 20,000 vehicles In the fourth year, without importing a single component, she manufactured 40,000 by her own resources.

When Sir M Visveswarayya had met the fellow Hilkoff (1935) he had learned that forty Russian mechanical engineers were working that year in an American motor vehicle factory, to gain experience On return to Russia, all these mechanical engineers had started working, and in the space of four years they had set the Russian automobile manufacturing industry on a fully independent footing, showing a steadily growing profit On the purchase of machinery and components, together with the training of the mechanical engineers, Soviet Russia had spent four crores of dollars That Hilkoff also told Sir M Visveswarayya that, according to their experience, three years after it began to manufacture, the motor vehicle factory showed a definite profit In 1938 the figure of motor vehicles manufactured in Russia had exceeded 215,000

Sir M Visveswarayya brought the instances of these two countries, Germany and Russia, to the notice of both the Government of India and the Government of Bombay While the Government of India withheld the expected aid, the Government of Bombay showed its readiness to grant it Actually the latter was not in a position to give the sort of facilities which were in the former's competence In order to assist him in promptly raising the one and a half crores of capital which he needed for setting up his factory, Walchand had requested the Bombay Government to stand guarantee for ten years' interest at 3½%. The then Chief Minister of the Bombay Government, Bal Gangadhar Kher, assured Walchand and Sir M Visveswarayya (March 20, 1939) that if, after the Company was regularly established, its Directorial Board and Managing Agents were in line with Government's views, and the Company accepted

the conditions laid down by Government, this guarantee would be forthcoming

On receiving the above assurance from Bombay's Chief Minister, Walchand applied himself vigorously to further preparations. After assembling a committee of a few big capitalists and industrialists, for joining his Board of Management, he made the decision to form a company with the title of "Indian Motors Limited, Bombay". A Managing Agency was formed of three men—Dharamsey Mulraj Khatau, Tulsidas Kilachand and Walchand Hirachand. Before starting the company's work, Walchand decided to visit America, accompanied by some expert, with the object of finding out what kind of co-operation, and how much, could be had from the local car manufacturers, and then holding discussions

There was then in Bombay a gentleman who had thought as deeply about the car manufacturing business as Sir M Visveswarayya This was P B Advani, Director of Industries, Bombay Government With Sir M Visveswarayya and Walchand he had formed a close friendship, due to his holding views similar to theirs on the subject of India's industrial development He had also caught the itch to see the car manufacturing industry established in India as early as possible He and Visveswarayya were constantly enquiring into the business In 1934, when Advani had gone to England on leave for rest, through introductions from the Indian High Commissioner in London he had visited one or two British industrial assembly plants dealing in the making of motor vehicles, and had also made enquiries with their managers Feeling that to have the company of such a keen and knowledgeable gentleman on his American trip would be an excellent idea, Walchand asked the Bombay Government to loan him for a four-month period

In the first week of June 1939, Walchand set out for London—alone, since the orders for Advani's release had not yet come through Since the terms of the agreement between the B I, the P & O and Scindia's was expiring by the end of 1939, Walchand had to hold discussions regarding a fresh agreement before the end of June He was thus obliged to leave early without waiting for Advani On reaching London, he passed some days in discussions with the B I and the P & O., but these broke down for want of mutual agreement About this time he went to Copenhagen (Denmark) where the Tenth Annual Conference of the International Chamber of Commerce was to be held, which he had to attend as India's representative On the conclusion of the Conference he stayed on for

one week's rest, and at the beginning of August 7, he went to America, which Advani had reached ahead of him (July 17, 1939)

Advani had got down to work from the day he set foot in New York He called on Vice-President Lambie and Assistant Vice-President Holman, of the National City Bank of New York, and requested them to introduce him to firms engaged in car manufacture. This Bank's Bombay office had already written to them about giving Advani and Walchand such assistance as they might need. Lambie telephoned the Manager of the Ford Motor Company at Detroit, earnestly calling on him to give Advani, as soon as he arrived, such information and other help as he wanted Henry Ford and his son were away at the time, having gone off on a pleasure trip. In their absence, one Sorensen, their Chief Manager, was looking after their work , and when this Lambie suggested that it would be all right to meet that fellow, Advani went to Detroit on 21 July

In the course of his interview with Sorensen, Advani perceived that if a motor-car factory was to be set up in India with Ford's co-operation, it would be necessary to take the consent thereto of the Ford Motor Company of Canada Henry Ford had assigned the right to look after his motor business, and make use of his patent, in all countries of the British Empire with the exception of the United Kingdom, to the above Canadian Company The agreement provided that Henry Ford's Company at Detroit would give technical advice and allow the benefit of its research, but that no independent business must be carried on in the territories allotted to the Ford Company of Canada For this reason, Sorensen summoned one Campbell who was President of the Canadian Ford Motor Car Company, got him to meet Advani, and initiated talks between the two Meanwhile the Company's experts were made to look into the scheme proposed by Sir M Visveswarayya and the details of production costs Campbell also got figures cast independently by his own experts. The result was that all agreed that a factory built in India on Sir M Visveswarayya's plan would be successful. A conflict of views came to light, however, on the question of who should retain the principal control, in case the factory was launched Another point was that the Ford Motor Company of Canada was disposing of five thousand vehicles—tourers and goods trucks combined—in India every year These were bringing it a handsome profit, in which the Ford Motor Company of the United Kingdom also had a share. In case they were to assist a new Indian Company, they could not feel any particular assurance that they would continue

to reap the same profit. They had therefore insisted that a 51% share in the capital should remain with the Ford Motor Car Company (Canada) which would give it a controlling voice. The talks and enquiries went on

As soon as he reached New York, on August 7, Walchand took Advani along with him and met Sorensen of the Detroit Ford Company They talked together for two hours and a half Walchand put forward schemes of many different kinds, but he would not agree to a single one of them "The Ford Company" insisted Sorensen, "must have a 51% share in the capital So far, wherever Ford Companies have been started, the parent Company has got the control In the same way, it has to have the control of this Indian Company too I fail to see why it should not If this Company is to be successful, the Ford Company of Canada has got to keep control of it"

Sorensen's words made Walchand exclaim "In that case, so far as we are concerned, we had better take it that the talks have failed"

"You can do this," Sorensen suggested; "meet Henry Ford Put the whole thing up to him He's back from his pleasure trip I'll fix a personal meetig for you with him tomorrow I had thought to fix it up right here today I'd expected him to come along during your time here, but it seems he didn't make it"

True to his promise, next day (August 16, 1939) Sorensen called Walchand and Advani to Ford's Factory, and introduced them to Henry Ford, who gave them a glad welcome

"We have come here," explained Advani, "in great hopes to get your very valued help to establish a Ford car factory in Bombay, but your executives have greatly disappointed us by insisting upon financial participation and control We don't want American money We are desirous of making this a purely Indian concern It would be to our interests to make a quality car in India, and we feel that Ford should help us with their technical knowledge and experience over a period of years We would pay for such help"

To Walchand's great surprise, Henry Ford readily agreed and exclaimed "I would be very happy to see the youngest country (U S A) help one of the oldest countries (India) in establishing the automobile industry there" Henry Ford listened to Walchand and Advani with the utmost sympathy, and after talking to his managers, promised that if necessary the past policy should be somewhat modified, and a mutually advantageous scheme worked

out. The talks which had been on the verge of foundering receiced a new lease.

On August 25, there was a meeting of Edsel Ford, son of Henry Ford, the Company's legal adviser Crawford, Chief Manager Sorensen, and Walchand and Advani. Edsel and Crawford to the following effect: In view of the agreement between the Canadian Ford Motor Car Company and the parent Company, without the former's consent it would not be possible for them to assist the Company poposed to bet set up in India To do this would amount to putting the Canadian Ford Motor Car Company in loss If the new Indian Company was not to be run under their control it would not be possible for them to co-operate with it. The Canadian Ford Motor Car Company was a Joint Stock Company, which meant that its directors would have to obtain the shareholders' consent Of their consenting to the Ford Company's acting as promoter of an Indian Company and giving its co-operation in the manner expected, there was not the faintest chance.

Henry Ford's policy was to come to terms with Walchand He felt that the Canadian Ford Motor Car Company should not stick so religiously to the strict letter of the agreement, and he said as much to his son, Edsel, and the President of the Canadian Ford Motor Car Company, Campbell Edsel was at first more or less prepared to change his policy, but Campbell was not prepared to give up his position The fellow was of British birth, and a staunch Imperialist He had the effrontery to say, "Why should you sit pretty over the industry which we have built up in India with our blood ? Old Man Ford can make you any promises he likes, but they have to get our O K, don't they ?" Crawford, Legal Adviser to the Company, also maintained his stout opposition The consequence was that, after going on for nearly three months, the talks eventually produced exactly nothing.

Walchand had borrowed Advani from the Government of Bombay on a four-month period, of which almost three months had gone in discussions with the Ford Company, and he would have only one more month for staying in America Within this brief period, Walchand would have to accomplish the purpose for which he had brought Advani as his companion Scarcely losing a moment for reflection, he instructed Advani to open talks with the Chrysler Corporation, which was the Ford Company's equal, and possibly its superior in respect of improvements.

The Chrysler Corporation, although founded long after the Ford

Motor Car Company and General Motors, had increased its business and reputation in so short a time, that it began to vie with those other two companies on equal terms The founder of the company, Walter Chrysler [1875-1940] began as a mechanic on daily wages Once when he had gone to see his first automobile exhibition, he had got the idea that here was an industry which could give a creative-minded mechanic a brand new chance to improve his fortunes. Rather than pass his life as a daily mechanic, he began to think of getting into the car manufacturing business. He stayed for some while with various car manufacturing plants, to gain experience, after which the man took to himself three mechanical engineers as ambitious as he was—Owen Skelton, Fred Zedder and Carl Breare—and bought the Maxwell Motor Corporation. This Walter Chrysler was a person of remarkable energy, who felt the constant challenge to conquer ever fresh fields in business custom, by manufacturing upon a correct diagnosis of the customer's likes and dislikes ; he was a giant of Industry. On purchasing the Maxwell Corporation, he infused it with life and energy In 1924 he produced a lovely, neat and compact car of new design, and placed it on the market This model's two special features were four-wheel hydraulic brakes and a high compression engine With the appearance of this car, he changed the name "Maxwell Corporation" to "Chrysler Corporation", which very soon came to rank among the biggest names of the automobile industry.

In 1926, this Walter Chrysler added two large plants to this factory of his, after which his factories turned out 1250 cars a day. In 1928 he made a prodigiously important and daring move, by purchasing Dodge Brothers, one of the respected and best firms in the field of automobile production. At that time the tycoons of Wall Street declared, "He's bitten off more than he can chew Walt Chrysler has got the cheek of a minnow[4] trying to swallow a whale !" But the jeers left Chrysler unmoved, he had abundant confidence in himself He declared that buying the Dodge Company was the soundest thing he ever did in his life In 1928 the man produced the Plymouth, a medium-priced car The demand for this car became so enormous, that in 1929, he had to arrange for a separate plant for its production By 1934 the Plymouth division was beginning to produce 2,800 cars a day No factory in the world had witnessed such a huge rate of car production About this time,

[4] A very small white fish found in sweet or salt water In Bombay it goes under the name of "*modak*"

Chrysler started to produce the small, compact and elegant De Soto, a medium-priced car designed to be within the reach of as many pockets as possible. In the first year he sold 80,000 De Sotos

Alongside his production of cars, Chrysler began to improve his engineering department by adding to it a research department All sorts of components needed for wagons and motor-cars began to be manufactured in this department Over the fifteen years from 1926 to 1940, the production of touring cars and trucks in the Chrysler Works was eight million. The Ford Company, with its 60% of the American motor-car market, was now given such a severe jolt by the Chrysler Company, that it was forced to scrap the long-established Model T which had given such impetus to the mass production of a restricted model, and build the new Model A. In 1928, in order to equip himself with the new tools required for making this new model, Henry Ford closed down his River Rouge Factory for a year Chrysler was able to take good advantage of the opportunity afforded by Ford's year-long hold-up of production He won over a good many of Ford's customers, and in spite of Ford having produced his new Model A, so little change had been made in the old ideas, that it was not possible to attract new custom in the former manner The Chrysler Company retained its lead.

From the day he set foot in America, Walchand commenced a most minute study, in which he visited several places, of the local motor industry He did not stay bogged down in the proposed talks with the Ford Company In the sphere of motor-car dealings, and the ideas and methods of those circles connected therewith, he kept his discriminating wits about him, and began an intimate study Advani had been at considerable pains to draft notes showing the statistical picture of the business of ten motor manufacturers in European and American countries, and of these Walchand made copious use in the present affair On making a comparative study of these notes, he came to the conclusion that it would be an excellent idea if he could join forces with an industrial concern like the Chrysler Corporation—one with a strong and balanced organization in respect of the three spheres of demand, production and salesmanship, which conducted its business in a bold and progressive spirit

As desired by Walchand, as soon as the meeting in the Ford Company offices terminated on September 25, Advani called in the afternoon on one B. E Hutchinson who happened to be Senior Vice-President of the Chrysler Corporation, after fixing up the appointment over the telephone. He had with him a letter of

introduction furnished by Lambie, Vice-President of the City National Bank. When the initial formal remarks were over, and Hutchinson learned from Advani the principal object of his visit, he observed, "I don't think that my Corporation would be interested in your proposition "

Advani heard this remark of Hutchinson's without batting an eyelid. "We would" he went on, "like to make a passenger car and truck based upon the Dodge pattern Your annual disposals in India at present are around a thousand, give or take a few If you work with us you will easily dispose of from ten to twelve thousand, tourers and goods vehicles combined In our country there is a rising demand for different types of motor vehicles Provincial affairs have passed to nationalist-minded cabinets Their policy will continue to be one of protection and encouragement to cars manufactured in India by Indians with Indian capital Our scheme has the backing of the Government of Bombay Province, which is ready to give the shareholders a guarantee for 3½% interest, in order that the capital may be raised quickly We have had talks on this topic with the Ford Company, who were also ready to work with us, but one or two sections of the agreement between the parent Company and the Canadian Ford Motor Car Company came in their way With the result that in spite of Henry Ford's desire to help us, it could not be managed Look at these proposals which we submitted to them, and which they also practically accepted "

Advani placed in Hutchinson's hands a memorandum which he had put up to the Ford Company's directors on 25 August On reading it, Hutchinson called one W Lidyard Mitchell, who happened to be President of the Chrysler Export Corporation, and the two persons held a full hour's discussion Mitchell told Advani, "Let me have a copy of your memorandum Tomorrow I'm calling one or two of my colleagues We'll all sit round and do some more thinking on this memorandum of yours "

Next day saw a meeting of Mitchell, Advani, and one C B Thomas, Head of the Sales Division These began by trying to assess how far Advani was a man to be relied on On being convinced of his reliability, Mitchell and Thomas said, "Some days ago, some industrialists from Calcutta[5] put up a scheme to us just as you have After thinking it over, we told them that it would not be possible for us to take part in it "

5 These must have been the Birlas

"The people who came to you," explained Advani, "must have been unsuccessful in getting Government's backing Without Government's backing it is difficult for this industry to achieve strength and success. We have the Government of Bombay's backing It is disposed to encourage such industries. And this is what I rely on, when I say that ten to twelve thousand cars a year will go easily. The present Company with the Government of Bombay behind it, is not likely to find much difficulty in the matter "

These words of Advani appealed to the others, although for the moment they were not prepared to commit themselves "That's all right," they replied, "but unless we go into the details of the capital cost of the proposed plant and also the manufacturing costs, we are not in a position to say anything definite That will take time "

"We talked to the Ford Company," Advani pointed out, "for weeks and weeks They agreed with us that the capital we suggested, of about five million dollars, would be adequate and our proposition is reasonably economical I am showing you the figure which I showed them Why spend time sitting and working out the figures and sums all over again ? We have to get home again as early as we can "

"Right you are", agreed Hutchinson "Let us have your detailed statements We'll check them over and call you for further enquiries within a couple of days "

The meeting was over Advani now called on one E C Morse, who was President of the Chrysler Export Corporation, and a certain J P Goodyear, Head of the Assembly Plant section He gave them his detailed statements This Goodyear gave it as his view that their figures were sound "All the same", he remarked, as he kept the statements, "it'll be better to look into them more closely " Advani gave him also a copy of the memorandum he had prepared for Ford

On October 5, they met again, and discussed the subject for many hours From this discussion, Advani gathered that the Chrysler Corporation wished to interest itself in Walchand's scheme, but was not keen on giving its assent in a hurry It seemed that they were thinking of sending their own man to India, and getting him to make an independent investigation, and when they felt satisfied, they would speak definitely [6] During Advani's talks with the Chrysler

6 In his report to Sir M Visveswarayya, Dharamsey Khatau and Tulsidas Kilachand, sent to Bombay on October 6, 1939 Advani wrote

Corporation, Walchand was in Chicago Advani used to keep him informed from day to day about the talks, and take his advice. Realising that no firm answer would be forthcoming from the Chrysler Corporation, until their representative had been to Bombay, made his own investigation and forwarded his remarks, Walchand suggested that Advani might get an idea of the lines on which they would co-operate, in case they decided to do so. Advani questioned Mitchell to this effect

"We shall be most particular to see", he replied, "whether or no your Bombay factory is maintaining our special high standards in motor vehicle production Since our policy is not to tie up our money in foreign factories, we shall have no share in your Company's capital Indeed, we shall keep no control over its running In order that no damage should at any time be done to our Corporation's prestige, we shall continue to help you by supplying you with top-grade managers, technicians, mechanics, tools and components. We will think about the terms on which we should give our co-operation, and the compensation we should accept for it, when our man Davis gets back from Bombay after a thorough enquiry While preserving one another's unfettered liberty, we are very eager to co-operate with you; but to give effect to this, will take a little time You will have to be patient for a while We can't tie ourselves with a hasty promise; nor on the long view would that be desirable for either of us Davis is on his way to Bombay He is expected to reach there at the end of November We will send all these papers to him He'll make an on-the-spot enquiry. He'll have talks with you, and he'll let us have his remarks, and after that, he'll execute an agreement with you on our advice"

After that Mitchell had made the Corporation's position clear,

During the very lengthy discussion that took place, I understand that Chrysler Corporation could not make any decision unless they investigated on the spot and the main points raised are

(1) The Corporation must be satisfied that the persons who were to be the Managing Agents were men of experience, standing and ability and who will be able to organize and manage satisfactorily the proposed concern

(2) That the Government of Bombay have finally agreed to guarantee the interest on the capital

(3) That the sentiment of the people and the policy of Government in regard to protection, etc., is all that I had stated them to be in favour of establishment of industries in India

(4) That the proposal in question can be given effect to with a capital of five and one quarter million dollars and on the basis of twelve thousand units per annum will be an economical proposition

(5) Added to this, consideration was to be given to the fact that they have been very satisfactorily served by their present selling agents and their interests must be safeguarded

Walchand and Advani thought it would not be proper to press for a quick decision, and so they decided to shift camp The two of them flew back to India at the end of October 1939 from San Francisco via Manila, Hongkong and Singapore.

On the plane going from America, it chanced that Walchand got acquainted with one Pawley, an American aircraft manufacturer At the request of the Chinese National Government, this fellow had undertaken the work of erecting an aircraft factory there. Out of Walchand's talks on this trip with Pawley, a new scheme began to struggle for birth Walchand's mobile mind had begun to contemplate a new industry.

21.

WORK IN COMMERCIAL ORGANISATIONS AND PUBLIC SPHERES

WALCHAND's industrial activities, with their fluctuating ups and downs, grew steadily for thirty-five years (1905 to 1939). Not for an instant could he shake them off Yet with all this, he did not tie himself down exclusively to the conducting of his industries, but interested himself in many important questions concerning his country's trade, industries and public welfare, and gave such help as he could to those institutions which were occupied in efforts to solve them He was associated in particular with the following institutions and organizations · The Indian Merchants Chamber, the Maharashtra Chamber of Commerce, The Indian National Committee of the International Chamber of Commerce, The Federation of Indian Chambers of Commerce and Industry, The All-India Organization of Industrial Employers, The Indian National Shipowners Association, The Imperial Council of Agricultural Research, and The National Planning Committee Of some he was the founder; of others, the President, Vice-President or Executive Member In all these institutions he refused merely to keep a seat warm, he spent himself, his thought and his money, and achieved a great deal of constructive work

Ever since making his own independent entry into the industrial field, Walchand had been made sharply aware of how greatly industrial and commercial ventures depend for their success on governmental policy His own experience had taught him that persons engaged in trade and industry must keep an eye always on that policy and understand it, in their constant thinking about their own advantage and disadvantage, that if ever a particular policy of Government is going to have undesirable repercussions on their business, they must at all times put forward their views in opposition, and in the last resort must even give battle and make united efforts to change it; and that similarly, by bringing pressure from their business fellows and public opinion, they must never relax

their efforts to secure the help and protection which their country's business and trade need to receive from Government, if they are to develop Walchand would roundly declare that the Government was a foreign one, and that "to suit its convenience and to satisfy the gullible, it claims to work for the benefit of the local people, although all its acts are performed to suit its (British) compatriots, and the thought of caring for the welfare of the Indian people never enters its head."[1] Hence, he claimed, it was necessary to inform and alert public opinion, to decide for themselves their country's economic policy, and to bring its influence to bear on the policy of Government, through unremitting activity, doggedness, fearlessness and devotion Such being his creed, in his association with the aforesaid institutions this was the attitude with which he commenced, through their medium public activities in various fields

Indian Merchants' Chamber Of this institution, the largest and best of the merchants and industrialists of Bombay, Walchand was an Executive Member for many years It was founded in 1907 (September 7), the moving spirit being Sir Manmohandas Ramji, with the co-operation of gentlemen like Sir Purshottamdas Thakurdas, Sir Dinshaw Edulji Vatcha, Sir Shapurji Bharucha, Sir Vithaldas Thackersey, Sir Ibrahim Rahimtoola, and Sir Fazalbhoy Currimbhoy Before it, commercial associations had been formed for individual trades, such as the Grain Dealers Association, the Diamond Merchants Association, and the Piece-goods Merchants Association, but there was no representative institution in existence, corresponding to the old-time *Vyapari Mahajan Sabha* or the Chambers of Commerce found in Western countries today, to protect the interests of merchants in every field and to study economic developments both at home and abroad The result was that the country's Government, while framing its industrial and commercial policies, never cared to ascertain the views of Indian industrialists and merchants; its practice was to take the advice of the Chambers of British industrialists and merchants which existed in India, and to frame its industrial and commercial policies in accordance therewith The ego of the British and non-Indian associations was naturally inflated. These became the pipers, and it was they who called the tune The Indian industrialists and merchants, while clearly seeing their own disadvantage, had silently to accept those persons' orders and control

[1] Walchand's speech as President of the first annual meeting of the Maharashtra Chamber of Commerce (November 9, 1928)

It was necessary to do away with this highly derogatory situation, to win liberty of thought and action, and to be bold to make their own personality have its impact on governmental policy; to which end the years succeeding 1900 saw the gradual swelling of revolt among the Indian merchants and industrialists It was this revolt which called the Indian Merchants' Chamber into being[2]

Sir Manmohandas Ramji, Purshotamdas Thakurdas, and Jaysukhlal Mehta were the first President, Vice-President and Secretary respectively. Thanks to the unremitting labours of these three, the Chamber soon made its presence felt It began to obtain representation on Government-appointed bodies connected with trade, industries and financial transactions, as well as in semi-Government and other institutions and committees , Government also began to appoint its representative on Provincial and Imperial councils and legislative assemblies With the entry of the Chamber's representative into such bodies as the Bombay Port Trust, which were in the pockets of European merchants and officials, it became possible for a voice to be raised against any activities going on there against the interests of Indian merchants After World War I the Chamber came to be recognized as the representative and powerful organization of the Indian merchants It grew in stature

After becoming a member of such an organization, Walchand lent his inspiration to many schemes and activities For sixteen years he was on the Chamber's executive council. In 1927 he was elected to the Presidential chair His occupancy of this saw such questions as Indianization of the Port Trust employees' cadre, the creation of the Indian Mercantile Marine, the Gold Standard, the establishment of the Reserve Bank, the conversion of the Imperial Bank into the State Bank, revocation of the inequitable policy of Bills of Lading, abolition of the Stamp Duty on Bills of Exchange, protection to Indian match-box and steel factories , on these and other important questions he made the Chamber express its own free and fearless view, and exercise effective pressure on Government; and he compelled Government, while doing its thinking, to put the welfare of the Indian people first Even though Government

2 In his speech at the Annual Meeting of the Indian Merchants' Chamber of 1946, Jaysukhlal Mehta, who had been the Chamber's Secretary and able Executive for many years from its inception, made the following observations in this context "When this Chamber started working, Indian trade, commerce and industries had to bow down and submit to the edicts and dictates which came from non-Indian Chambers of Commerce, which had the whiphand of the Government of those days The fundamental question was how to free Indian business from the leading strings of European Commerce The first step taken in this direction was the organization of Indian Chamber of Commerce"

did not solve one and all of these questions in a satisfactory manner, still it was no small gain that by these methods, those occupied in commercial and industrial spheres became well-informed and vigilant for the establishment of their rights.

Maharashtra Chamber of Commerce · It was Walchand himself who brought this institution into the world, and long nurtured it with a mother's love Taking into account the peculiar condition of industries and commerce in Maharashtra, he set up this separate institution in 1927 (September 13) during the second session of the Maharashtra Trade Conference at Poona, under his chairmanship. It was resolved that this institution's field of activity should be that covered by the welfare and activities of all the following, namely, the trades and traders, the factories and manufacturers, and the industries and industrial classes germane to them, in the twelve Marathi districts of the Bombay Presidency and the States included within and adjoining them

The institution's objects were clarified as under (1) to promote the spread of amicable relations, unity and intercourse among the traders and manufacturers of Maharashtra; (2) to make planned and organized efforts, both directly and indirectly, to achieve the good of Maharashtrian traders and manufacturers in every direction, (3) in order to achieve the institution's objects, to obtain all essential knowledge on economic and commercial questions, and at the same time to collect relevant figures and other information, and from time to time to distribute and supply these to the members; (4) whenever Government, or a department presumed to belong to Government, or any local self-governing authority, or other institution of a like nature, interferes with the welfare of Maharashtrian traders or manufacturers, or obstructs their progress, to take the help of the Law as may be necessary, or to adopt all remedies in order to resist them, (5) when from any cause whatsoever Maharashtrian trade or factories are adversely affected in any way whatsoever, or are likely to be so affected, to obtain redress by corresponding with the Provincial or Central Government or local self-governing authority or other institution of a like nature on commercial questions, or by sending deputations to these, (6) to assist the spread of commercial and industrial knowledge, and to create and conduct institutions for the purpose; (7) to take up questions of any desired branch of the concerns of Maharashtrian traders or manufacturers, adopt legal remedies in order to remove threatened trouble or loss, and take

up the work of fully investigating allied matters; (8) to make all efforts, directly and indirectly, in furtherance of all the above objects of this institution

Although its field of activity is co-existive with Maharashtra the institution does not exist exclusively for those who speak Marathi, or who pass for Maharashtrians in the narrow sense. Its membership is open to those who consider themselves as Maharashtrians and do trade or industry in Maharashtra Its members have included Parsis, Marwaris, Gujaratis, Muslims and so on—people of all descriptions.

Walchand was elected as the Chamber's first President in view of his powerful personality, his work achieved and experience gained with the Indian Merchants Chamber and other comparable institutions, and his high standing in the field of Maharashtrian industry He occupied this seat for eleven consecutive years (1927-1938) during which period he inspired it in many directions, led it to fulfil its objects, and created a growing trust and respect for it among merchants and manufacturers He won for it weight among the counsels of Government, he brought it prestige in the world of Indian commerce and industry

Here one feels the appropriateness of the remarks made by the writer of an article "True though it be that no institution achieves fame through the agency of one single individual, yet the foundations of an institution's success are laid by its founder In the case of the Maharashtra Chamber, the man who laid the foundations of today's proud achievement and success, was none other than Walchand Hirachand Indeed, it is not the case that the honour of founding the Chamber and being its President increased the lustre of Seth Walchand's own personal fame and glory, rather it was the Maharashtra Chamber's good fortune that it found an author such as could make it strong and efficient right from the start"[3]

It is reported that, on seeing the President's chair of the newly created Maharashtra Chamber given to Walchand, certain irrationally envious persons persisted in demanding, "What sort of a Maharashtrian have we got hold of here?" To these pig-headed folk he would retort, "Describe who is a Maharashtrian in any way you please, define it as you choose, I can definitely be included among Maharashtrians" Whatever people might say, he felt proud to call himself a Maharashtrian His correspondence with his household and

3 "Seth Walchand Hirachand, founder of the Maharashtra Chamber", *Vaibhav* magazine, 23rd year, 3rd issue, p 13, 1946

friends and relatives was done in Marathi; his home accounts, as well as the accounts of his family business at Sholapur, were written in the Modi script It was his pride in Maharashtra, his inborn passion for her economic uplift, that drove him forcefully to speed her industrial development, and to bring the Maharashtra Chamber of Commerce into existence

In the Chamber's early years, he would regularly attend its weekly meetings and conscientiously despatch their items of business A Vice-President of the Chamber, K H Dhamdhere, says in his memoir: "The talk in lighter vein which succeeded these meetings, and the accounts which he gave in them of his personal experiences, were found extremely fascinating and encouraging by the members Certainly a budding trader like me felt his reflections to be a series of varied lessons bestowed by a wise teacher The rays of searching light which he turned upon current commercial or industrial questions were truly inspiring In the same way, apart from the talks, we felt that his practical experiences were like golden grains of wisdom Even more than his wisdom and wide experience, the true commercial outlook which showed itself in his conversation was highly deserving of our emulation Beside his words, a Maharashtrian newly aspiring to become a merchant would find books on commercial subjects, or the learned lectures of professors at a commerce college, utterly scanty and inadequate The years of the Maharashtra Chamber's foundation were years of commercial and industrial depression At such a time, after every weekly session with Walchand we would get fresh inspiration to bend again to the task with renewed impetus, and to try our level best"[4]

Not one single meeting of the Chamber's executive council did he ever miss He attended the meetings punctually and without fail Before coming, he would make a proper study of the subjects to be discussed at the meeting, which consequently gave a solidity to his thoughts about them It was his practice, while expressing his views, to reinforce them with figures. Since he was inclined to say whatever he had to say with full support and exactitude, this naturally lent weight to his speech Never did it happen that a meeting was prolonged through the debate getting out of hand Just as he disciplined his own thinking, he insisted that his colleagues should discipline theirs.

Walchand's nature was of the sort which, having taken up any

[4] "The inspiring and thought-provoking deeds of Seth Walchand", *Vaibhav* magazine, July 1953

job, must carry it through to the end with a single mind and no excuses; and thus for eleven continuous years, even while the scope of his business was increasing, he exerted himself for the Chamber, winning for it both leadership and a place of honour in commercial circles. The Maharashtrian merchants in Bombay had previously brought out an institution named the Deccan Merchants Association; this however did not go on for long, folding up for the lack of bold and vigorous leadership So perished an organization which had given scope and encouragement to the creativity of Maharashtra's merchants In founding the Maharashtra Chamber and conducting it with competence and vision, Walchand had thus placed a new mobile and powerful medium in the hands of the merchants and the trading body of Maharashtra; he had endeavoured with success to implant a new industrial ambition in Maharashtrian soil He had pointed the way for an industrially and commercially backward Maharashtra, and led her forward This is Walchand's unforgettable achievement

Walchand did not hanker after authority and leadership in the least; he was interested in action When he found a man capable of execution, he would hand over to such a man, and himself stand aside. On finding among the Chamber's executives a man with a stout capacity for leadership, like Mahadeo Laxman *alias* Babasaheb Dahanukar, Walchand placed the reins of the institution's management in his hands, and in September 1938 stepped down from the Presidential chair

Federation of Indian Chambers of Commerce and Industry This is the leading institution of all India's leading commercial associations and organizations For its formation the Indian Merchants' Chamber of Bombay was largely responsible Founded in 1927, the institution's office was accommodated for the first two years in the premises of the Indian Merchants Chamber, after which it shifted to Delhi Walchand was on its Executive Council from the beginning, he was appointed to it on behalf of the Maharashtra Chamber of Commerce In 1932-33 he was elected as the Federation's President.

In actively entering the fields of trade and industry, the Federation kept before itself the following among other objects While preserving a continuity of policy among Indian merchants and industrialists, trade and financial dealings should be considered, whether on the national or international level, from the scientific

viewpoint; fiscal autonomy should be introduced; in regulating the country's finances, respect should be given to the views of merchants and traders; its constituent institutions should be induced to take part in the nation's industrial expansion and should receive guidance, any obstacles placed in the path of Indian merchants by foreigners should be removed; and similarly if the trading community's affairs should suffer any injustice at the hands of Government, this should be brought to the latter's attention in clear terms.

With the backing of capable and patriotic men of high status, coming from different Provinces and from both trade and industry —such as Walchand Hirachand, Ghanshyamdas Birla, Purshotamdas Thakurdas, Lala Shriram, M Jamal Mahomed, Jadunath Roy, Laxmidas Tairsee, G A Natesan, Adamji Haji Dawood and Rai Bahadur Vikramajit Singh—the Federation became within a very short space of time the one and only organization capable of representing the merchants of India Hitherto the British Merchants' organization—the Associated Chamber of Commerce—had been forcing its imperialistic policy and thinking upon governmental policy, and had been creating a situation favourable to British trade and industry; and this body's strength the Federation now matched and restrained Henceforth it was impossible for Government to ignore the Federation's views

During the year when Walchand was President of the Federation (1932-33) the state of the country had become extremely critical. The British Government had thrown a leader like Mahatma Gandhi into bondage, and was attempting in devilish ways to bury the National Congress, exemplar of the country's hopes and ambitions, and the sight of this sent a wave of anger through the population When the country saw the sort of game that Government was playing with Self-rule, by putting up a new political constitution of tinsel, the result was a sensation of despair and futility. And when this became exacerbated by the world depression, people began to feel that life was not worth living Economic distress had become acute, and no signs of relief could be seen The export of gold outside India had reached such dimensions as to create a most pitiable situation in trade—which the Government appeared to view with indifference.

In such a situation India's trade had languished Meanwhile, with the weight of the selfish Ottawa Agreement around India's neck—useless to her and fastened on her despite the protests of the Central Legislative Assembly—the state of India's trade had become

still more pitiable From his Presidential chair, Walchand performed the task of thundering against the situation; and afterwards, as one of the alert members of the Executive Council, he made determined efforts to solve the countless questions which periodically arose, in a spirit of pure patriotism. This even earned him the displeasure of certain self-seeking capitalists and industrialists, who courted Government for the sake of their own petty advantage Government's wrath too used to be aroused, but this equally failed to upset him

International Chamber of Commerce This international organization of world traders, founded in 1920, had its head-quarters in Paris In 1934-35 and 1936-37 Walchand was its Vice-President He led the Indian deputation to the Conferences of 1933, 1935, 1937 and 1939 An account of his achievements at these conferences has been given elsewhere, in its due context

International Chamber of Commerce: The Indian National Committee: This Committee was formed in 1929 for giving effect to the purposes of the above organization, and for co-operating with it in propagating its work in India. Walchand was its President in 1931-33.

All-India Organization of Industrial Employers This institution performed the work of selecting the representatives of industrialists to be sent from India to the International Labour Conference at Geneva, and suggesting their names to Government, also of stating the Indian industrialists' case before the Conference and elsewhere, and endeavouring to serve their interests Of this institution Walchand was President in 1933-34 He had already, in 1932, attended a conference at Geneva as a representative of the Indian industrialists Previously, the Government of India used to appoint, as representatives of the Indian industrialists, mostly those put up by the non-Indian or European merchants Against that policy Walchand had to exert himself considerably His objections to it were as follows.

"To our local foreign industrialists' taking part in the appointing of representatives of Indian industrialists who are going to Geneva, or in the discussions or doings of international labour at Geneva, I have three serious objections First, our local foreign industrialists are under the control of their Head Offices in England, and so

naturally have to dance to their tune; and the policy of these English industrialists is to put up the prices for realising a profit on the goods of the factories of those countries which compete in the market with their goods, or which try to do so. Second, under such conditions England will indirectly get an extra vote at Geneva, because England mostly gets the votes of her colonies . . . It is not the case that the interests of Indian and foreign industrialists over here will always coincide ; and on such occasions it will be difficult for the representative body of manufacturers to achieve certainty Since all these difficulties can be clearly perceived, I say that there is only one way to avoid them, and that is, in today's context to grant the right to propose their own representatives for Geneva only to those who are truly Indian industrialists."[5]

Walchand had to record his objections to the Government of India's past policy, and continue his resistance to it, for seven years (1926-1932) before it was forced to change it

Indian National Shipowners' Association · Imperial Council of Agricultural Research The story of Walchand's achievements in these two institutions has come elsewhere in earlier chapters

National Planning Committee This Committee was appointed by the Indian National Congress in October 1938, with Jawaharlal Nehru as Chairman, for the purpose of preparing a Plan with a view to the country's industrial expansion The well-known economist Prof K T Shah was its Secretary. The Committee functioned till 1946 It published well-studied and instructive reports on 26 different subjects connected with the Industrial Plan, after appointing sub-committees of experts who had thought about these subjects The Committee met from time to time, on 77 occasions ; of these, Walchand attended on 17 relating to subjects which he had himself thought about, took part in the discussion, and gave the Committee the benefit of his personal experience and deep thinking.

Walchand took little part in activities other than public activities connected with trade, industry and financial transactions From social work, religious work and politics he used to stay aloof He rarely consented to preside over meetings, gatherings, openings, cultural functions. He felt his own concerns and their attached problems to be of greater importance and urgency than any other

5 Presidential speech first quarterly General Meeting of the Maharashtra Chamber of Commerce (Febrary 13, 1933)

concerns or problems Public acclamation, greatness, individual fame—such made little appeal to him "If there is to be any acclamation," he used to say, "let it be for my concerns; let the fame too go to them" Despite his keen national sentiments, he was never a member of any political party. A friend of his from Osmanabad, Nemchand Walchand Gandhi, once wrote and asked him, with reference to his keen temper, "Are you extremist or moderate?" To which Walchand quietly replied, "I'm neither an extremist nor a moderate, nor a sloven; I am a naughty jeerer"[6] But leaving aside the jesting element in this reply, we can say that he was an outspoken, fearless and vigorous critic of Government's double-faced policy.

Walchand was on friendly terms with people of all parties Which is why Sardar Patel once humorously remarked "Gulabchand belongs to the Hindu Sabha, Lalchand belongs to the Congress, Ratanchand belongs to no party, and Walchand belongs to every party!" Just as Walchand helped the Congress, he helped also the moderate party members of the Servants of India Society equally with the followers of Gandhiji, he helped the rabid revolutionaries Whenever he noticed that any institution or individual was doing some good work for the country, he would give help with a lavish though hidden hand In 1936 Mahatma Gandhi made known his desire that the Gongress session should be held, not as usual in some big city, but in some village The Maharashtra Provincial Congress Committee accordingly decided to hold it at Faizpur in East Khandesh, and sent its invitation to the Congress But what were they to do for money? They had counted upon the merchants of Bombay, but in vain Not even the influence of Sardar Patel himself could produce the expected sum "Then the Sardar button-holed Seth Walchand, who donated a lakh of rupees in one sum for the Faizpur Congress"[7]

Not just this once, but many a time and oft has the Congress received Walchand's financial help He used to help political victims of Government's inclemency, and their families, in various ways Yet he never allowed this to be talked about A conspicuous instance of this is exemplified in the tremendous efforts he made, laying his own work aside for some time and spending from his own pocket, to set aside the death sentence passed (June 6, 1930) by the Sessions Court of Sholapur on the four accused in the Sholapur

6 *Walchand Gunagaurava*, 1942, edited by B D Sardesai, p 13
7 *Kesari*, April 10, 1953

Martial Law cases—Mallappa Dhanshetty, Shrikisan Laxminarayan Sarda, Jagannath Bhagwan Shinde and Abdul Kurban Hussein.

"After the Sessions Court sentenced Dhanshetty and the rest to death, an appeal was filed against this in the Bombay High Court To conduct this High Court appeal, Advocate Bhulabhai Desai was engaged on behalf of Sarda And on behalf of Dhanshetty, his master Pandarkar was having talks with Sir Chimanlal Setalvad ; but eventually the talks broke down, and he flatly refused to take up Dhanshetty's case To represent Jagannath Shinde and Abdul Kurban Hussein, no arrangements had been made Bhausaheb Khadkikar requested Seth Walchand to intervene and make attempts to get Sir Chimanlal Setalvad to take up the cases of Dhanshetty, Jagannath Shinde and Abdul Kurban Hussein Sarda's father-in-law refused to have all the cases conducted jointly Seth Walchand therefore went to Sir Chimanlal Setalvad's bungalow, to request him on behalf of the above three men, when Sir Chimanlal bluntly told him that he was not prepared to conduct anyone's case at all" Pandarkar had offended the worthy knight at the outset, and hence this harsh decision At length Seth Walchand returned disappointed

"Next day, Seth Walchand got up early, and he and Haribhau Kelkar went to Advocate Bhulabhai Desai 'Save these three public workers from the gallows in any way you can,' begged Walchand ; 'I am ready to pay the necessary expenses' But to Seth Walchand's keen disappointment, Advocate Bhulabhai said that since he had taken up Sarda's case, he could not take up the others'. Noticing the whole state in which Seth Walchand was, Advocate Bhulabhai suggested an alternative 'Let the cases of Dhanshetty, Shinde and Abdul Kurban Hussein be tried separately,' he suggested, 'and let Pleaders Chitale, Thakore and T N Walavalkar be engaged I'll fix it up' But Seth Walchand had got it firmly into his head that there was no hope of success unless Bhulabhai were to conduct the three men's cases, and he had a sort of confidence in Bhulabhai's acumen , he therefore rejected the proposed alternative, and again begged him to take up the case of the three men himself Finding however that Advocate Bhulabhai would not agree to this, Seth Walchand cried in tones of the most piteous grief, 'Don't think that I have come to you as Walchand Hirachand, a Bombay industrialist, but as a kinsman to these four guiltless fellow-countrymen ; consider my kinship with these Accused who are to hang on the gallows, and the agony they feel It is because I share that agony that I come to you as a

suppliant like this, and so at any cost please do represent all four of them. I stake my oath that today no one but you can save them from the noose. Besides, they are public workers. They are in politics. You too are a great patriot, and so it is your duty as much as mine to save them I cannot leave this place, Sir, until you promise to represent the four of them Please realise my distress'"

"The tears which welled up in Seth Walchand's eyes, his fellow-feeling with these Accused, and the piteous way in which he implored, all had their effect and touched Advocate Bhulabhai very deeply At once he promised, 'Do not feel anxious I will represent the four. Don't worry.' Wiping away his tears, Seth Walchand thanked him. 'I am immensely grateful to you,' he said, 'and I shall not forget your kindness.' He saluted Bhulabhai and went home, where he bathed but took no food. Accompanied by Bhausaheb Khadkikar, he went to the High Court, because on that very afternoon (July 7, 1930) the four men's appeal was to come on for hearing in the High Court.

"The hearing of the appeal began before Chief Justice Beaumont and Justice Madgavkar. Advocate-General Kanga appeared for the Crown Then Bhulabhai Desai got up and said. 'I appear for all the four Accused' At these words Walchand heaved a sigh of relief, while his eyes grew moist His prayer had been granted He rejoiced in the sense of assurance that the four would now certainly be acquitted—or at least saved from the gallows Magnificently did Bhulabhai argue the appeal that day As soon as he had stood up and said, 'I appear for all the four,' Seth Walchand left the Court, and only then did he go home and take his food

"The appeal went on for three days, and resulted in a difference of opinion between Chief Justice Beaumont and Justice Madgavkar On July 14, they delivered judgment While Chief Justice Beaumont found all four Accused guilty and confirmed the death sentence on them, Justice Madgavkar confirmed it on Dhanshetty, but with respect to the other three recommended that they be given the benefit of the doubt This difference of opinion between Chief Justice Beaumont and Justice Madgavkar made it necessary for the appeals of Shinde, Sarda and Abdul Kurban Hussein to go before a third Judge They were therefore heard by Justice Baker in the third week of July, for one day. He delivered his judgment on August 1, 1930, confirming the sentence of death on all three"[8]

Walchand was shocked to hear this decision He took the matter

8 V G Andurkar *Sholapur Martial Law and Four Martyrs*, (1958), pp 171-76

to the Privy Council, but there too it was thrown out Then a petition was got addressed to the Secretary of State for India, Wedgwood Benn, by the Indian leaders assembled in London about that time for the Round Table Conference. A petition for clemency with a hundred thousand signatures was despatched to Lord Irwin, the Viceroy. Telegrams were sent from every nook and corner of India appealing for mercy. But nothing came of all these desperate efforts A deputation of industrialists, led by a Bombay industrialist, Seth Husseinbhoy Laljee, got ready to intercede with the Viceroy, who refused to meet them There was no escape from the noose.

On January 11, 1931, Walchand, accompanied by Narsinha Chintaman Kelkar, bade farewell to those four heroic patriots in Yeravda Jail Kelkar, like Walchand, had exerted himself considerably in this affair. Next day, the Satanic British power sacrificed them All four of them made that journey to the world of the dead with a proud heart and a cheerful smile on the face

Walchand had made tremendous efforts to save all four of them from the jaws of death ; he had roused a storm of opposition on every side ; but success eluded him He was distressed as never before. A resentment deeper than ever before was born in him against the British policy in India He was wholly convinced that until the British rule in India was destroyed, there would be no end to the miseries of his country

With one exception, Walchand never entered active politics, even when the opportunity and the means were favourable. Once only, in 1934, he had the desire to enter them He stood as an Independent candidate for the Central Legislature from the Central Division[9] of the Bombay Presidency. His friends and well-wishers wanted him to stand on behalf of the Congress Party , even Sardar Vallabhbhai Patel proposed this In political matters, his policy agreed with the broad policy of Congress, some of its programmes being unacceptable to him. Nevertheless he had assisted its work on many occasions and in many ways He dressed from head to toe in dazzling home-spun Yet in some matters—particularly tax on property and the policy for promoting industry—he was not in agreement with Congress Neither did he accept Congress' vacillating policy on communal representation.[10] In the course of arguments

9 This includes the seven districts of Poona, Satara, Sholapur, Ahmednagar Nasik and East and West Khandesh

10 At the Congress Working Committee's session at Wardha on June 13, 1934, a vague resolution was passed to the effect that "Among all communities there are serious differences of opinion regarding communal representation So long as these persist, the Congress is not in a position to accord it either approval or disapproval"

in support of his candidature he used to say, "It is most essential to keep an eye on the country's industrial and economic affairs. This job a man like me, who is every moment in touch with such questions, is in a better position to do than the candidates put up by Congress."

Congress had put up Keshavrao Jedhe and N V *alias* Kakasaheb Gadgil Besides these, there were three other candidates—Gunjal, Sardar Patankar and Batane The *Kesari*, N C. Kelkar and his Democratic Swarajya Party had adopted Gunjal and supported Walchand.

In this election the right to vote was confined to individuals paying property tax and Rs 60/- as land revenue or land rent The number of such voters was at that time eighty thousand While merchants largely accounted for those paying property tax, Maratha cultivators largely accounted for those paying land revenue or rent People therefore formed the expectation that the merchants' votes would mainly go to Walchand and the Maratha cultivators' mainly to Keshavrao Jedhe And such was found to be the policy guiding the course followed by both candidates On behalf of Keshavrao Jedhe at any rate, there was an open resort to the communal slogan of "It is the duty of non-Brahmans to support Jedhe ,"[11] Keshavrao Jedhe did not deliver very many public speeches in person , he used to meet the patils and leading cultivators and get them to do the job "He did not follow the communal line , but some of his friends did "[12]

Walchand's success turned largely on the mercantile vote, which he was expecting to go markedly in his favour Among the mercantile classes the largest group was that of the Jains, and since Walchand himself was a Jain of substance, both his helpers and rivals alike thought that the Jain votes would go to him Even so, Walchand never played the abject and debased role of communalism, with a "Vote for me because I'm a Jain " His appeal went, "I want to look at the country's industrial and economic affairs from the realistic angle The country's urgent need today is for as many men as possible who will do the same, to enter the legislatures And this is why you should choose me "

"He fought a good fight He would make use of the *Kesari*

11 This is exemplified by an article under the caption "Duty of Non-Brahmin Voters They Must Support Mr Jedhe" by P R Kanavde in the *Bombay Chronicle* (November 7, 1934)

12 N V Gadgil *Pathik*, Part I, p 298

group, but depended more on his organization."[13] He never played the role of a mud-slinger against his rivals, and he humbly requested these not to play such a role. On the day when the candidates' applications were scrutinized, he said to his rival Kakasheb (N V) Gadgil, "Kaka, no campaign, no meetings, let's keep a calm atmosphere" But what reply did Kaka Gadgil give? And what role did he play in his campaign? He himself writes in his autobiography "Pathik" (Part I p 299) "I answered, 'Your wealth is money, and that will keep on doing the job; and my wealth is my voice, which I am not going to turn off I shall fight tooth and nail, but I won't hit below the belt' All through every moment of the campaign, speeches were made by the rich, the poor, the Yes and No people, the people who would die for their country, and the people who would dance on her grave. Class conflicts were fully exploited Moneyed men will traffic for profit in anything from leather to pearls, and I used to declare that that is what Walchand was doing with regard to communal representation"[14].

All this tale of Gadgil's is as shallow and bombastic as it is artificial In particular, his last sentence referring to Walchand makes the reader laugh He appears to have conveniently forgotten how the very man, whom he dismissed so contemptuously in his campaign meetings as "mercenary", two years later upheld the honour of the Maharashtra Provincial Congress Committee, by helping towards the expenses of the Faizpur conference with a lakh of rupees The impartial Gadgil, with his contempt for "mercenary capitalists", really ought to have told Sardar Patel and the Reception Committee, "Don't touch money from a mercenary man like Walchand; if there's no money, the Faizpur session can quite well be dropped" But there is of course no record of his having said anything of the sort

Walchand spent an immense amount on this occasion His helpers and agents felt sure that he would come first; and up to the last, he too thought the same. While the Congress session was being held in Bombay in October (26 to 28) they met Sardar Patel and told him, "He will certainly be elected; and if Gadgil isn't told to retire, both he and Jedhe will lose"[15] But all this was just a dream Some of those whom Walchand took for well-wishers and friends,

13 T R Deogirikar *Vasu Kaka Joshi and His Times*, p 532

14 While supporting Walchand, Kelkar's Democratic Swaraj Party had got it in writing from him that he would oppose the Communal Award (see Kelkar's Marathi autobiography *Gata Goshti*, p 788) It is in this context that Gadgil's remarks are made

15 N V Gadgil, *Pathik*, Part I, p 299

were working against him secretly. The Indian Merchants Chamber instructed the traders to "vote strictly Congress". Hence many of them verbally promised him their votes; but on the polling day, they rode in Walchand's shining brand-new car—and voted for the Congress candidates Of the voters of Satara District on whom he placed particular reliance, "particularly in Walwa Taluka, all the Jain voters under Annasaheb Latthe's direction" voted for Gadgil [16] The same was the case in his home District of Sholapur When the votes were counted, it was found that Jedhe came first, Gadgil second, and Walchand third Gadgil held a margin over Walchand of 5,000 votes He writes · "Brahmans in large numbers voted for Walchand; the traders were divided between him and me; Jedhe and I shared 70% of the cultivators" [17]

In these elections, as Walchand learned from actual bitter experience, people think more of the future of caste and party than of the country's future, in place of broad and far-sighted thinking, they are carried away more by narrow and selfish emotional feelings; being devoid of rational thinking, their minds cannot discern in what lies the country's ultimate advantage, and so they are easily led astray by the verbal jugglery of opportunist professional politicians who play upon their passing emotions He had clear proof that a man who wishes to achieve something constructive for the country, should not waste his brains, strength and resources on an election conducted on these blind party and caste lines, but would be wiser to devote them to the tasks which he has already undertaken And hereafter he never once entangled himself in Legislative Assembly or Council elections

"Had he been successful in the election and gone to the Legislature in Delhi, how much work he could have done under the prevailing political conditions, is a doubtful question It is none the less true that he would certainly have made some stir But on the whole, how far the Seth's nature would have relished the activities that have to be gone through and the games that have to be played, both in and out of the Council Hall, once one has descended into the political arena, is open to doubt In one sense, one is strongly tempted to say that his failure in the election was, on an overall consideration of the country's benefit, not a curse but a blessing The verdict of the electorate, of course, occasioned the Seth some natural regret, yet not so much as it occasioned others connected

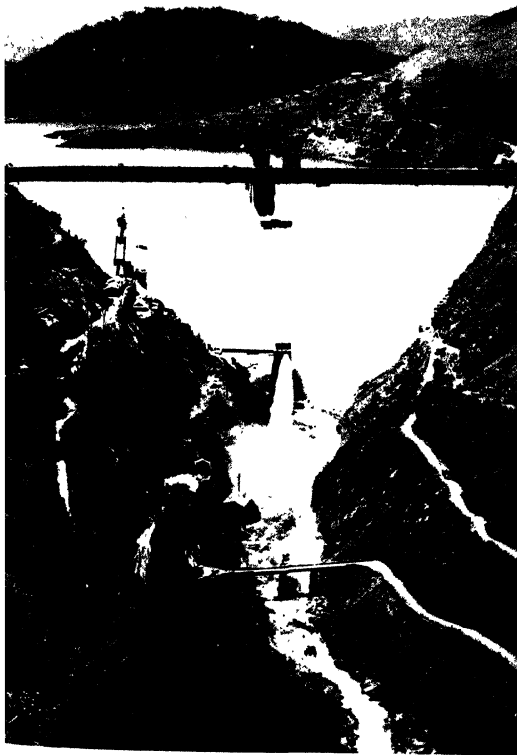
16 N V Gadgil. *Pathik*, Part I, p 301
17 N V Gadgil, *Pathik*, Part I, p 298

with him It is indeed worth mentioning that a gentleman who had shared his defeat, went to him as soon as he heard the result, and said, 'Worthy Seth, now we must get on with our work!' Whereupon the Seth merrily replied, 'Noble Sir, I have plenty of my own work; but have you got any?' What his remark meant was, "Till today, your occupation and profession was winning the election and getting into the legislature, so now, have you any other occupation? That's what I'm asking you" Needless to say, the two knew each other quite well enough to be able to crack jokes"[18]

This worthy friend of Walchand's must have been entertaining thoughts of addressing himself to the toil of the next election Walchand on the other hand was thinking that it would be good to avoid that sort of toil, and get down to the toil of his own business For his failure in the election Walchand felt neither sorrow nor regret He forgot all the election fever, and as though such had never existed, immersed himself in his regular activities

18 D V Kelkar "A Character Sketch of Seth Walchand Hirachand and Some Recollections," *Vaibhav* magazine, July 1953

LAST PERIOD

1940-1953

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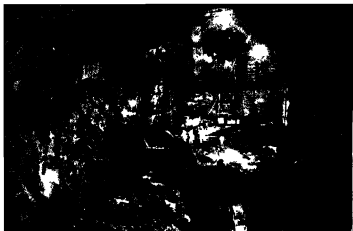
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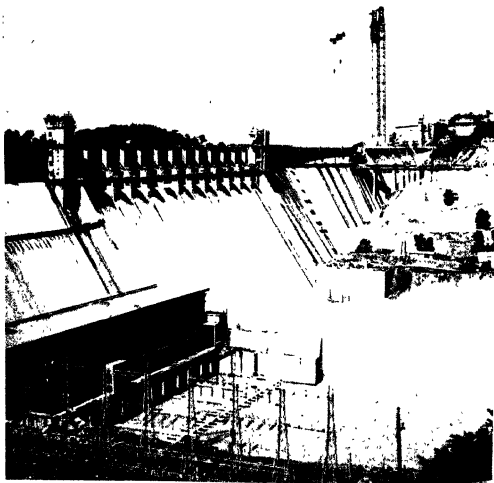
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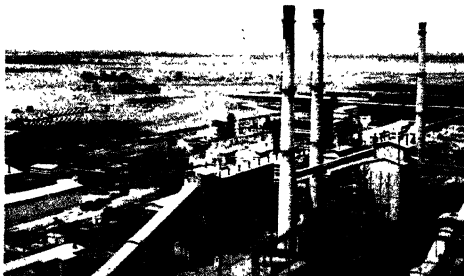
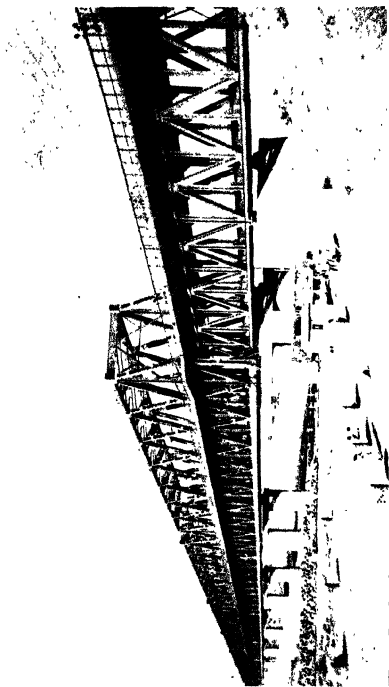

Railway Bridge built on Irrawady in Burma

Water treatment plant

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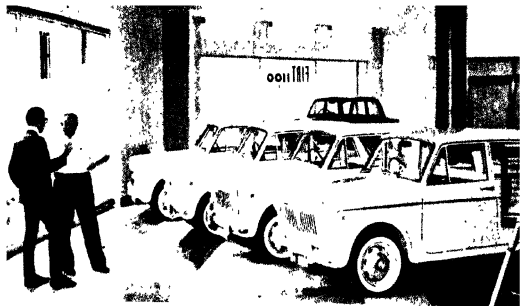
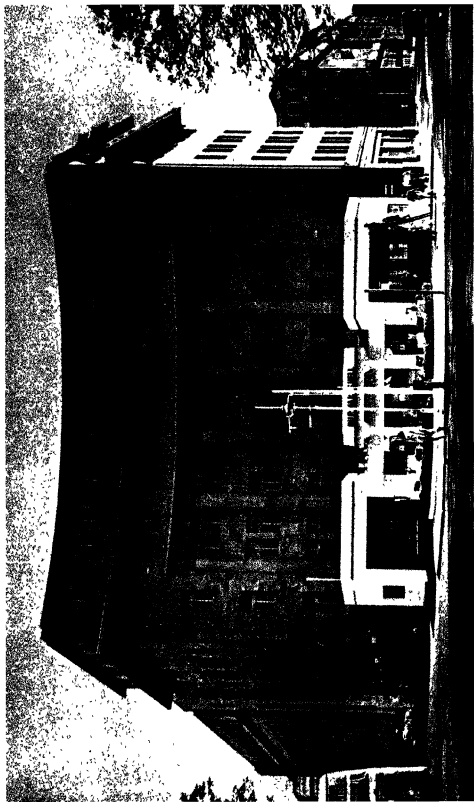

Fiat Cars arrayed for display inside the Bombay Cycle & Motor Agency show-room at Sandhurst Bridge Bombay

Premier Auto Electric Ltd specialised electrical servicing by PAE specialists

Construction House Walchand Hirachand Marg Ballard Estate Bombay

1.

USHERING IN THE AIR AGE

WALCHAND left America for India, after his talks with the Chrysler Corporation about opening a car factory in India, at the end of October 1939 accompanied by his wife Kasturbai and Advani. He boarded a China Clipper at San Francisco. According to his usual practice, he bought several of the day's newspapers at the airport, for reading on the journey. As soon as the plane took off, he started to read. While doing so, he took note of the contents of one particular article. His interest was aroused, and he read it through again and again. Wheels began to turn in his head. He called Advani and told him to read the article. Having done so, Advani exclaimed, "Why, this gentleman is travelling with us on this very plane! I made his acquaintance just now. He's on his way to Hongkong."

"Why, how splendid!" cried Walchand with enthusiasm. "We must get acquainted with him. Come, introduce me to him."

Advani took Walchand to that gentleman. "Mr. Pawley," said Advani as he made the introductions, "this is my friend Walchand Hirachand, the gentleman I was talking about just now. And this is Mr. Pawley, the President of the Inter-Continent Corporation of New York. The Harlow Aircraft Manufacturing Company of the United States is also under his direction. He has run aeroplane factories which he has put up in China for the National Government, in association with America's famous aeroplane manufacturer Curtis Wright. At present he's Co-ordinator and Director to China's Central Aircraft Company, for whose business he's on his way there. He is connected with a number of American factories producing machinery and apparatus for making planes."

"It gives me very great pleasure to meet you, Mr. Pawley" said Walchand as he delightedly shook hands. "After reading the interview you gave in the newspapers, I felt a keen desire to meet

you And just see, what a stroke of luck! You were on this very plane!"

"Thank you. Thank you very much", replied Pawley with a ready smile. "I too am very happy to have met you"

Then the two men began to talk

"Why do you really think it is not so difficult to open aeroplane factories in China and India? In a land like India, where so far not even one car factory has been able to start, how can you think that an aeroplane factory can start?"

"Why shouldn't it start?" retorted Pawley. "With concerted efforts, cars will get going and planes will be made too These two industries feed and help each other Given help from Government and moneyed men, both of them can succeed in India Every country today has a mighty big need of them At first, a lot of the necessary component parts will have to be imported from abroad. Assembling a car needs nearly two thousand separate parts, and a plane will need still more Say a regular plane needs thirty thousand, then a modern bomber or fighter will surely need pretty near two lakhs of component parts These parts have to be of very fine, delicate, strong and high grade manufacture Even in a country like America, which is highly advanced in making machines, the airplane factories can't make all these parts Certain particular parts are made only in certain special factories Same's the case with tools and machinery. American plane factories buy the stock they want from these different factories. A factory started in India will have to do the same Some of the component parts it'll of course be possible to make even in India Bearing in mind that later on one hundred per cent parts would be made right there in India, you should gradually import from abroad the machines, tools and machinery necessary for that And you should keep on trying to start industrial firms to make the various component parts and help you, like in America. All along, skilled workmen and engineers of the grade you need for this kind of production will get trained up For that, you should bring in foreign experts for a while, and have them instruct those people At least so long as the War lasts, I'd say the American Government will give India the necessary help over this, as a War contribution Only it's necessary that your capitalist class should themselves step forward to make this venture And your Government should see it as its duty to be ready to give you aid and facilities"

Pawley's reassuring and encouraging words filled Walchand with

enthusiasm He decided that he must "take advantage of the War, and immediately get down to the work of calling the Indian capitalists together, and opening a factory for constructing cars and along with them, aeroplanes" Until Pawley alighted at Hongkong, Walchand discussed this subject with him fully, and got to know his experiences in China They both stopped over for a short while en route at Manila, where Walchand even got Pawley to draw up a scheme for an aeroplane factory He further plainly asked him "If I find a way to bring this scheme into effect, shall I receive your co-operation ?"

"Yes, yes," was the reply, "you shall have it right gladly. If you like, we'll draw up a rough agreement" Walchand agreed, and on reaching Hongkong from Manila they made a mutual agreement accordingly. He decided to try the effect of informing the Government of India that "they were ready to supply aeroplanes needed during the War, and Government should assist them" And straightaway he sent a long cable from Manila to that effect, to the Commander-in-Chief in India [1]

In case his offer was acceptable, the cable asked that a reply to this effect be cabled to him at Hongkong, failing that at Calcutta, but at least at Bombay On reaching Hongkong, and learning that no reply had been received from the Commander-in-Chief, he sent him another identical cable This too elicited no reply On alighting at Singapore, he cabled again No reply Alighting at Calcutta, he repeated the same cable No answer came Then on reaching Bombay he sent his fifth cable, which at least brought a reply—not from the Commander-in-Chief, but from the Government of India's Commerce Member, whose post was then occupied by Sir A. Ramaswamy Mudaliar The noble knight advised that "The Commander-in-Chief has passed on to me your cables to him regarding the possibility of establishing a factory for the manufacture of aeroplanes I hope to discuss with you the question raised in these telegrams when I meet you at Bombay"

This was in October 1939 The War which had broken out in

1 This cable ran "Offer building Military Aeroplanes in India your specifications in co-operation well known American Manufacturers acceptable to you with their guarantee of performance by Indian owned Company stop after order first Aeroplane ready end ninth month ten planes in tenth month and twenty planes monthly thereafter stop discussed possibility release by Washington necessary equipment including engines stop proposed Indian factory similar China factory near Burma border stop want order at American price for one hundred planes Pursuit or Bombers per year for three years stop if interested please cable me if possible care American Express Company Hongkong till twenty-first enabling further discussion with Pawley American Chief of Chinese Government Aeroplane Factories who is travelling with me from America otherwise care Scindia Steam Navigation Company, Calcutta till twentyfifth after that Bombay stop can bring from China to Delhi Pawley for discussion without commitment your part"

Europe was then in its earlier stages. It was, to employ the words of Chamberlain, Prime Minister of Britain, the Twilight War. England had recently come into it, and her statesmen had not yet rightly appreciated its scope and compass They had failed to consider how their war preparations compared with the enemy's Prime Minister Chamberlain went about supposing that Britain and France had ample power to hurl back the attacks of Hitler's tanks, the inroads of his submarines, and the assaults of his aircraft, and to contain his forces And the British public trusted the man and never worried.

In October, thanks to the onset of winter, the War in Europe had cooled off somewhat. So far, the British Government had scarcely felt it; their eyes were closed in the yearly winter slumbers; they had not begun to feel any acute necessity for putting fresh life into the vital industries which are ancillary to the waging of war If such was the state of affairs in Britain herself, why should the Government of a country like India, which was dependent on Britain's good graces, contemplate the idea of manufacturing aeroplanes and put it ahead of its own accord? The Government of India's Commerce Member, A Ramaswamy Mudaliar, seemed to have completely forgotten his promise to Walchand of "a discussion" The weeks rolled by, and from Delhi came never a word

Along with the end of winter in Europe and the advent of spring, the temperature of the War went up Upon a France intoxicated with her naval and air power, Germany launched an appalling blitzkrieg from three directions—land, sea and air—and by the end of June had encompassed her total defeat France suffered the dire fate of having to throw herself on her knees before her enemy At the eleventh hour had come the despairing cry of France's Premier, "Give us planes, give us planes! Cover the skies of France with planes, if the onrush of the German Panzer Division is to be stopped! Now no hope is left for us, now is the hour to rush to our aid!" The man appealed to America and Britain America's President, F D Roosevelt, kept on giving promise after promise, while Britain's own situation as regards supply of planes was pitiable From mid-August to October end (1940) England reeled under the shock of German aircraft attacking in swarms like locusts She had to concentrate on the problem of survival Her Government bluntly told the governments of India and the other Colonies that they must arrange for their own defence themselves, and that Britain could no more supply planes or ships

The lethargic Government of India began to come out of its trance and bustle to and fro. Meanwhile the apparently sleeping Commerce Member, Sir A Ramaswamy Mudaliar, one day paid a sudden visit to Bombay He met Walchand After lengthy formal enquiries, he asked Walchand, "In case we open an aeroplane factory in India, to what extent could it be run efficiently ?" To Walchand this question appeared to be put as though to try the limits of his patience He replied in sarcastic vein, "Surely the War hasn't reached India ? Why have all this fuss about making aeroplanes so early ? When the War comes here, we can think about it " This answer of Walchand's somewhat nonplussed Ramaswamy Mudaliar. In his heart, he was dismayed, never having expected such a peculiar reply. Being of a moderate and cool temperament, he used to speak and act with extreme deliberation He used to shape his policy after seeing which way the official wind was blowing He lacked the qualities found in Sir Joseph Bhore or Zafrullah Khan, his predecessors in the post—smartness, the ability to get started, the habit of following their own policy without deferring to the white secretaries, the candour of plainly declaring whether they would do a certain job or not do it Never was he found to speak definitely and decisively [2] Walchand felt greatly disgusted with his spineless shillyshallying

Although Sir Ramaswamy was secretly put out by Walchand's reply he did not show this in his face, but asked many questions all round the subject of an aeroplane factory Yet these questions were purely routine in character Even if the Commerce Member did not so feel it, Walchand at least felt that his time had been wasted in such talks When they had almost finished talking to each other, Sir Ramaswamy said, "I'll tell the Commander-in-Chief about this talk of ours and sound his views, and let you hear about it very early"

From the experience of many years, Walchand had thoroughly learned that a Government official's "very early", whether spoken or written, means nothing at all He asked, "very early" means what ? One week, two weeks, three weeks ? How many weeks ?"

2 In one private note upon this characteristic of Sir Ramaswamy's, Walchand had said "Sir Ramaswamy's indecision has reached such a stage that it has become a standing joke in Scindia Office that Mr Master's confidential notes about the various interviews, numbering about fifteen during the course of the last two years, with Sir Ramaswamy conclude with the paragraph that "The Hon'ble Member assured him of his personal and close attention and early disposal' Subsequently nothing comes out and therefore it is being suggested to Mr Master that why he should not get these last few lines printed and inserted as the concluding paragraph of each of such Minutes "—Bombay, 21-11-1941

"Within one week after I get to Delhi," replied Sir Ramaswamy

After the worthy knight's return to Delhi, one week passed by without any word from him to Walchand Six weeks followed Having gone to Calcutta for some business, Walchand learned that Sir Ramaswamy was camping there, whereupon he called on him and reminded him of the undertaking he had given in Bombay.

"Oh dear!" exclaimed the good knight, "I'd gone and forgotten all about it!" This was as it were an accurate commentary on the leisurely pace at which the wheels of the Government of India revolved.

Relying on the worthy knight's promise to "convey the Commander-in-Chief's views within one week". Walchand had sent a cable to that Pawley at Hongkong, asking when he would be able to come to India for a discussion about the aircraft factory scheme This individual had replied that he was shortly going to America, and would visit India on his way back to Hongkong But in view of the total inactivity at Government's end, Walchand had not been able to invite him.

The defeat of France in June nineteen hundred and forty threw Britain, as well as India, into a panic France had already retired from the field, and England was all alone The need for planes was too painfully evident to be questioned Britain's own capacity to produce new planes was obviously limited, and America was still suffering from the effects of the Neutrality Act; nor had realised the whole danger of the war to herself About this time, Walchand happened to be in Simla in connection with some questions regarding the depreciation to be allowed to the Scindia Company for the ships lost by enemy action, and the expenditure in certain cases to be allowed on ships which had already been commandeered by Government On going there, he learned of the instructions given to the Government of India by the British Government in London, viz, (as mentioned above) "Make your own arrangements for your defence, especially in the air" To make more sure of this, he called on a high official whom he knew in the Supply Department In the course of conversation, he observed, "In the light of the present situation in Britain, India will for the future have to equip herself with aircraft by her own efforts From this point of view, I should say that there is ample scope for opening a factory to produce aeroplanes in India"

Thereupon Walchand told him the story of his cable to the Commander-in-Chief from Manila, together with an account of his talks with the Commerce Member, Sir Ramaswamy, and the slack-

ness shown by the pair of them. The man appeared not to know a thing about it He considered it a matter for regret and astonishment that, at such a critical juncture, senior responsible officials of the Government of India should display a dilatory policy on such a vitally urgent question as aircraft production. Walchand next made enquiries whether the proposal about an aeroplane factory, which he had made to Government, had at least reached the ears of the Head of the Communication and Transport Department. This gentleman, like the official in the Supply Department, had heard nothing from anyone; and he was no less astounded to learn of the slackness shown by the Commander-in-Chief and the Commerce Member.

Whether because the above two officials, conceding the importance of Walchand's proposal, placed the question of opening an aircraft factory before the Viceroy; or whether somebody administered a rocket to the Commander-in-Chief, at any rate Walchand began to receive enquiries from Government The question was asked whether, in case it was decided to open an aircraft factory in India, it would still be possible to obtain Pawley's co-operation Nine months had now slipped past, since Walchand's first cable to Government about the scheme for constructing aircraft

About now, Japan began to launch savage attacks on China, whose National Government poured out a stream of requests that the British Government should help it with more and more planes In the summer of 1940 the Burma Road was closed, thus putting China into serious difficulties There was no possibility of her getting aircraft unless these could be manufactured in India In future it was going to be absolutely out of the question for England or America to supply any complete planes

Walchand had firmly grasped Lokmanya Tilak's dictum that "Britain's difficulty is India's opportunity, which must never be lost" He recommenced his efforts with vigour "If we are promptly advised," he informed the Government of India, "how many planes are required of what types and within what period; which machines are wanted at the start, and what advance can be paid on the selling price; how much and what kind of help of a general nature will be forthcoming; then we will get on with the job."

The wheels of Government had now begun to turn fast The Commander-in-Chief Sir Robert Cassels, Head of the Finance Department Sir Jeremy Raisman, Supply Department Secretary E. M Jenkins, E T Coates of the Military Accounts Department, Commerce

Secretary Hugh Dow, Air Marshall Sir J F. A Higgins, Director of Civil Aviation Sir Frederick Timms—all these influential and important personages took a direct interest in the business, and began endeavours to get it rapidly off the ground Lord Linlithgow, who was then Viceroy of India, called a meeting of all the above, as well as other members of his Executive Council, spoke most emphatically, and guaranteed support for Walchand's scheme

On receiving positive information that the Government of India was accepting his scheme, Walchand cabled to Pawley to prepare an outline plan, and come to India immediately with his chief technician as well as his legal adviser Pawley was then busy negotiating with the Burmese Government for the opening of an aircraft factory in Burma.

In July 1940 Pawley arrived, accompanied by his technician and chief engineer McCarthy (Junior), his legal adviser and expert in managing aircraft factories Dr George Sellett, and one of his brothers who was at that time personally engaged in the aircraft business, E P Pawley Walchand took the four of them to Simla On behalf of Government, the Chief of the Supply Department and other associated officials met them at once, discussed the plan brought by Pawley, and gave it their approval Within 72 hours of Walchand's arrival at Simla, the decision to open an aircraft factory had been finalized Never in all the hundred years of British rule had any plan been so promptly accepted Walchand himself was astonished, as well as amused, at this "miracle"

Later he learned that the sole cause of the miracle was the staunch support of his erstwhile relentless opponent, the secret critic of his schemes, proposals and activities, both in the legislature and outside, Hugh Dow, Finance Secretary Inasmuch as Walchand's relentless critic had sponsored his plan, Government felt positive that this must have been prepared in a businesslike and thoughtful manner. Dow had clearly minuted, "From my previous experience, I say with conviction that Walchand is the one industrialist in India who will prove as good as his word He possesses today the type of efficient organization which is necessary for making a success of such an enterprise, once he has taken it up He has excellent connections in international business, and perfectly understands how to get aid from abroad for such a venture and how to bring it to success"

On approving the plan for an aircraft factory, and confirming the rest of the details, the Government of India made a provisional

agreement with Walchand and his associates[3] On obtaining the consent of H. M. G in England, and on the aircraft company being duly formed and registered, this agreement was to be finalized with all its particulars

Cabled conversations began between the Government of India and the Government of Britain, and went on for many days Britain was obliged to get the raw materials, for the aircraft she would produce, and the necessary components and machines, from America Consequently the British Government began to be afraid that if India started to ask for them, there was a risk of their own outturn suffering

At this juncture Neville Chamberlain, who had been Britain's Prime Minister at the outbreak of the War, was replaced (May 11, 1940) by Winston Churchill, an opponent of India's welfare He had set up a separate ministry for aircraft production, and placed it under Lord Beaverbrook This department had previously been under the Air Ministry, which was not too pleased to see it made separate and independent Churchill, however, remembering the experience of the Great War, and realizing that Britain's existence was largely going to depend on a powerful air force, brushed aside the objections of some of his colleagues, and created this separate "Ministry of Aircraft Production" He had resolved to make use of Lord Beaverbrook's energy and inspiring drive for the work of production of aircraft according to his expectations He gave Lord Beaverbrook a completely free hand, and never once disputed his views

When the Government of India's cable reached the British Government about according sanction to the opening of an aircraft factory in India, Lord Beaverbrook showed himself from the first strongly opposed to it This made the *Statesman* of Calcutta write a pungent leading article headed "What Must Come" (November 15,

3 The general nature of this agreement will be appreciated from the subjoined letter sent by E M Jenkins, Secretary to the Supply Department, on July 4, 1940

'I am desired to confirm that an agreement has been reached in principle under which it is understood that Mr Walchand Hirachand and his associates will form an Indian Corporation with the technical assistance and co-operation of Mr W D Pawley which Corporation will in the immediate future erect an aircraft factory in India The Government of India will place with said factory an initial order for Trainers, Fighters and Twin Engine Bombers The order shall include spare parts and the total amount of the order shall be approximately United States dollars Ten Millions The models of aeroplanes and price thereof will be agreed upon as soon as you are able to furnish the Government of India with delivery schedules, and further detailed information regarding the models of aircraft to be selected The Government of India's agreement with respect to the foregoing is subject to their obtaining telegraphic approval thereon from the Home Government The necessary formal agreement can be executed soon thereafter"

1940). The Calcutta daily said: "As time passes and Britain and Germany destroy each other's industries more and more systematically the difficulties will increase Germany for a reason bombs London indiscriminately, but her regular and unremitting raids in the Midlands and other areas have objectives and it is idle to suppose that great damage is not done in a small country thick with factories Britain is not composed of churches and cinemas, and if so many of these are hit a proportion of works and docks and warehouses must also go down, and much time be lost during raids Both sides are seeking cover and moving factories

"If India is to be an effective base in a long war she must do three things which at present she cannot do She must be able to produce motor engines for all purposes, to build aircraft and to build ocean-going ships These three things are fundamental and inescapable Britain holds the key to these things and if for any reason —inability to see beyond her own air battle, inability to put out of her mind considerations of post-war trade or the pressure of vested interests—she fails she will do so at her peril At present the Ministry of Aircraft Production is a stubborn obstacle to aircraft manufacture in India It will neither help India in any way, nor, in so far as it lies in its power, will it allow America to do so Lord Beaverbrook's magnificent energy has been priceless to his country in the summer battle for Britain But Lord Beaverbrook who for years assured the readers of the *Daily Express* that there would be no war and after Munich practically guaranteed peace throughout 1940 can hardly claim vision Yet we put it to him that while he is unquestionably right in seeking to increase British production every month there is a point at which it ceases to be good policy to put up factories to be knocked down and to seek new sites in a small island where work is forever being interfered with from the air If Hitler has an advantage in working on interior lines whereas Britain has to work on exterior lines and maintain far distant fronts by circuitous routes the British Commonwealth has great compensating advantages. Hitler may move his factories to Silesia or Austria but he has no place where he can escape the British bomber and he has no vast untapped reserve either of recruits or of factory labour. In the occupied countries labour is unfriendly and sabotage is rife and even the British bomber would strike In India there is safety and a vast reserve both of recruits and of teachable labour which could be made skilled What are wanted are some factories moved wholesale to India as models

The sea is still open The thing is still possible It should have been done as we urged that it should be done before now But what is still possible today may not be possible tomorrow"

The *Statesman*'s above views were echoed at that time by the majority of the British officials and merchants in India Actually, its basic intention was not to make India strong, but, in case the day should come for the British Isles to be destroyed, to move the population with its industries in safety and found a colony in India

The Government of India began strenuous efforts to overcome Lord Beaverbrook's intransigence After various attempts to move the British Cabinet to concede its case, it finally secured its approval It was laid down, however, that "the aircraft factory proposed to be set up in India must not import the required raw materials, and the necessary component parts, machines, and tools, from America or England, but must make arrangements to get these from other countries" This objection to buying anything in America was founded on the ground that all that America could spare was needed for Britain's own defence This was the main reason for the delay regarding formal and final sanction to the arrangements agreed to Walchand and his associates had perforce to bow to this requirement

As soon as he got the approval of the Government of India and the British Government in England to the opening of an aircraft factory, Walchand began to look for a convenient site for erecting it It was also necessary to make immediate arrangements for the capital which the factory would need There must be twenty lakhs of rupees on the day of the Company's due registration, and a further twenty lakhs before the thirty-first of January 1941, to its credit in the Bank Only then would the Company get Government's first order for four million dollars' worth of planes, component parts and other goods, as mutually agreed, and along with it a fifty per cent advance on receipt of the bill; such was the condition in Government's agreement with the Company Walchand and his friends Tulsidas Kilachand and Dharamsey Khatau, after becoming promoters of the Company, therefore decided that between them they would purchase shares of twenty-five lakhs It was decided also that the Company's authorized capital should be four crores of rupees made up of four lakhs of hundred-rupee Ordinary Shares, and that a sum of forty lakhs should be put up immediately for capital expenses and running expenses. At the same time it was finalised that a limited company known as "Walchand-Tulsidas-Khatau" should be formed to manage the Company

Walchand's original wish had been that the Scindia Company should purchase the aircraft company's shares out of its reserves, and take over its managing agency So far, all its attached subsidiaries had proved successful and a source of real profit; and he was confident that this aircraft company too would prove equally successful and profitable, particularly since it had secured the backing of Government In case the Company was to get into the aircraft business, it would be necessary to insert new rules authorising such a course in the Company's Statement of Objects For this purpose, Walchand called a Special General Meeting of the Scindia shareholders, and placed before it his proposal for consideration But the majority of the shareholders opined that "this industry is not in accordance with our principal objects", and displayed strong opposition; hence Walchand, dispensing with further argument, gave up his idea of involving the Scindia Company in aircraft building and air freight in addition to its shipping business

In point of fact, for a company conducting shipping business to conduct an aircraft business, should not be deemed especially unnatural and risky Steamship companies like America's American Export Steamship Company, or her Pan-American Grace Steamship Company, have conducted air transport alongside sea transport in excellent fashion, and made a success of it There are instances in which, because both steamers and planes belong to one single company, these complement each other from the transport angle, and are found to help increase each other's revenue In addition, since traffic, weather plotting and movement control are managed in coordination, a great saving is experienced in cost During his travels in America, Walchand had personally studied the working of such companies, and had reached certainty on the point It was this certainty which led him to suggest that the Scindia Company should get into the aircraft construction and air freight business His instinct told him that in the post-War years this industry would grow in importance and enjoy a boom

Finding that the Scindia shareholders turned down his proposal, he was obliged immediately to set to work to raise elsewhere the capital required for erecting the aircraft factory He began to correspond with the rulers of the four States of Baroda, Gwalior, Bhavnagar and Mysore, putting his scheme before them (October 1940) With the exception of the Maharaja of Mysore, none of the rest showed any concern or interest The Diwan, Financial Adviser and Legal Adviser of the States of Baroda, Gwalior and Bhavnagar

respectively, namely V. T Krishnamachari, A H. Wadia and Anantrai Pattani, were reckoned by Walchand among his close friends, and he had accordingly supposed that they would incline their rulers towards his scheme But such was not the case He had requested that Baroda at least should purchase shares worth 45 lakhs, but the reply came that "owing to other commitments it would not be possible to take part in this scheme" From Mysore alone came a favourable reply, which Walchand, after certain earlier experiences, had not anticipated On the present occasion, however, his experience was quite otherwise The Diwan of Mysore, after consulting the Maharaja and the British Resident, invited Walchand to meet him, he indicated that if the factory should be situated in their territory, they were willing to take up shares to the value of twenty lakhs of rupees,[4] give State land free of cost, supply water and electricity at concession rates, and give other help required[5] Sir Mirza Ismail was then the Mysore Diwan He took a keen and personal interest in the question of opening an aircraft factory

In October 1940 Walchand went to Bangalore, taking with him his younger brother Lalchand, his Secretary Bapusaheb Sardesai, Legal Adviser Dinshaw Daji, and Mansukhlal Master of the Scindia Company To prepare the ground, he had sent his engineer from the Hindustan Construction Company, Varadarajan, ahead After talks with Diwan Mirza Ismail and the British Resident Lt-Col J G Gordon, a rough agreement had been made and a site selected for the factory The bunch of experts, Pawley, Sellett and McCarthy were also on the spot

On the advice of Pawley and Varadarajan, a 300-acre site[6] for the factory building and the aeroplane runaway had been approved, seven miles east of Bangalore City and quite close to the military barracks Adjoining the area was a large lake suitable for the take-off and landing of hydroplanes, for the use of which also the Mysore Government's consent had been obtained All these arrangements being completed, the mechanical technologist from Visakhapatnam, Maganlal Shah, was sent for, he was appointed at first "Special Officer" and later Deputy General Manager, and along with General Manager McCarthy he was put in charge of the daily working of

4 A few days later, the Mysore Government purchased shares to a further 5 lakhs of rupees, bringing its amount to 25 lakhs

5 Proceedings of the Government of His Highness the Maharaja of Mysore, Order No D 3663-372/10C, 216-40-16, February 11, 1941

6 Later, as more and more land was added, this rose to nearly 2100 acres Out of these, 700 acres had been given free by the Mysore Government

the factory In December 1940 agreements were made with the appropriate parties, and on the 23rd of the same month, the aircraft company was named "The Hindustan Aircraft Company" and duly registered under the Mysore Companies Act[7] It took the form of a Private Limited Company, its Managing Agency being assigned to Walchand-Tulsidas-Khatau Ltd To watch the overall daily management of the Company on behalf of the Managing Agents, Lalchand Hirachand was appointed Resident Director[8] He actually flew there in his own plane, having obtained his flying licence

William Douglas Pawley was allotted the responsibilities (among others) of setting up the aeroplane factory and equipping it with machines, mechanics, technologists, skilled workmen, and other apparatus; of buying machinery and other materials from America and China, of supplying planes and their component parts from time to time as requested, under the agreement between the Government of India and the Company; and of turning out Indian engineers equipped with scientific training in aircraft construction The control of the factory, it was provided, should be exercised by this individual or by the advice of the Resident Director appointed by the Company Until the first order placed by Government with the Company had been fulfilled according to specifications contained therein, the authority to control the factory from day to day was to be with Pawley His New York firm, the Inter-Continent Corporation, had executed an agreement with the Company and accepted the responsibility of buying in America planes, aero engines, aeroplane components, machines, tools, and all the manifold types of equipment required for the factory, and of despatching them to Bangalore

Work on the factory began on December 24, 1940 After clearing the chosen site of the jungle, making it out and cleaning it up, the cornerstone of the factory's first building was laid on January 12, 1941 This area was covered with hundreds of termite nests, of whose holes the cobras had taken the usual lazy advantage to establish their homes They were the lords of that area Until they were eliminated, it was difficult for the workers to work in safety This necessitated

7 The Company's first Board of Directors consisted of (1) Walchand Hirachand (Chairman), (2) Tulsidas Kilachand, (3) Dharamsey Mulraj Khatau, (4) A N Raghavachar of the State Service, (5) M Venkatnaranappa

These last two gentlemen were appointed as representatives of the Mysore Government, the former being a Secretary in the Finance Department and the latter being President of the Mysore Iron & Steel Works

The Company's office was opened at "Eventide", Dumlur Road

8 This appointment was in January 1941 In the absence of Dharamsey Khatau, Lalchand had the right to attend a meeting of the Directors Board take part in its discussions, and give his vote, as Alternate Director

starting a cobra hunt The existing termite nests would have to be destroyed, and steps taken to see that they did not spring up again. Hundreds of cobras were slain The termites inside the nests were inoculated with influenza, and permanently destroyed At first, whenever Walchand toured the area, his first question to Maganlal Shah would be, "How many victims in the cobra hunt? What's the score now?" And when he learned that the score had mounted, he would tell him, "Keep the hunt going strong, like that Root out the cobra tribe as fast as you can" Beside him, his wife Kasturbai, hearing these directions of his, would say, "Brother Maganlal, don't forget we are non-violent Jains Catch the cobras and let them go again somewhere far away, but don't kill them" Walchand would exclaim with a laugh, "It seems you care more for a cobra's life than a man's!" And the three of them would roar with laughter

Pawley, Sellett and McCarthy were forging ahead with their work Thanks to having collected the help of devoted and hurricane workers like Lalchand Hirachand and Maganlal Shah, the initial stages in Walchand's factory were accomplished at lightning speed Within a span of scarce three weeks, the factory's main building, the service roads and the aeroplane runway were ready The Company got most of the work done under its own supervision, some of it being under sub-contractors[9] Since the supplies of earth and stone required for building could not be brought promptly from outside, the area itself was dug up and the want supplied The Company also erected its own kilns and made bricks It strung electrical lines over the whole area, thus providing light and making the building work go on both night and day, and completed the arrangements necessary for commencing the work of aircraft construction

That work could be accomplished so rapidly and regularly by Indian hands was more than either Walchand's American colleagues or the Mysore Government and the Government of India had thought possible They were amazed They became convinced of the power and efficiency of Walchand's organizations, and they all felt confident that the labours undertaken by the Company would bear fruit. By the month of July 1941, in the teeth of the endless difficulties created by the War situation, 150,000 square feet of area could be seen covered with buildings and sets of machines of various sorts The

9 The daily *Indian Express* of Madras said (February 16, 1941) "What could be accomplished within a brief space of three weeks if energetic work was put in, and determination shown is exemplified in the work being carried out in the 300 acres of waste land acquired by Walchand Hirachand for the manufacture of heavy aircraft in India"

work of construction started smoothly and speedily. Under the direction of 22 American technicians, 300 Indian engineers highly trained in mechanics and nearly two thousand skilled workmen began to work in the factory, day and night At the time when the construction work commenced, the factory's American training staff of experts entertained doubts as to how quickly Indians could be made proficient in the work of building planes But actual experience forced them to admit candidly that "Indian workmen can absorb the technique of aircraft construction far quicker than Chinese workmen"

Government's first order placed with the Hindustan Aircraft Company was as follows 74 long range Vultee Attack Bombers of three types, 48 Curtis Hawk Fighters, 30 Harlow PC-5 Trainers for giving flying instruction. These did not include the many different kinds of objects necessary for the daily maintenance of aircraft The agreement contained a stringent proviso that this order must be completed in specified instalments before the close of 1942 The Company had undertaken to supply planes to the Chinese National Government as well as the Government of India

Under the stress of the savage Japanese air assaults, the Chinese National Government was finding it daily more impossible to keep its aeroplane factories running in safety On Pawley's suggestion, it began to think that it would be to its advantage to sell its machinery and stock to the Hindustan Aircraft Company, and ask this to supply it with the planes it would need It therefore made an agreement with the Company, and through the medium of Pawley's Inter-Continent Corporation sold the stuff and despatched it to Bangalore In addition, Pawley's painstaking efforts secured from America machines, tools, components, and engines required for aircraft, and got them to Bangalore The Hindustan Aircraft Company also obtained a very great deal of help from a factory which the man had opened in Miami (Florida) with the object of assisting the American Government's aircraft-building industry

After seven months of constant unremitting efforts, the Company brought out its first Harlow Trainer[10] for testing in July 1941, and tried it out in the air After thorough tests, the experts passed it, and on August 29, the Company handed it over, completely fitted out, to the Government of India

10 *The Times of India* gave (July 25, 1941) the following description of this aeroplane "The Harlow, an aircraft designed in America, is a trainer It is an up-to-date type of aircraft and has the same characteristics as modern fighters and bombers It is a low-wing single-engined monoplane, with constant speed propellers, flaps and retractable under-carriage"

At about the same time (on August 12) representatives of the Government of India and the Mysore Government, with some selected leading citizens of Bangalore, were invited to partake of refreshments, while they were given a successful flying demonstration of a ten-seater Glider, designed in the Bangalore factory and built to the last nut from materials of Indian manufacture This plane was used in time of war for the rapid transport of troops

By publicly producing this aeroplane, Walchand had brought to the attention of Indians and foreigners alike what feats Indian engineers could rise to, given the opportunity On the heels of this aeroplane, production was immediately started on making the Hawk P-36 and the Harlow PC-5, and planes began to be turned out smartly according to the time schedule fixed by Government Those objectors, both Indian and English, who objected that aircraft construction in India would be quite impossible, and that anybody who should go to all the pains of attempting it would not be able to make a success of it, had to swallow their words The eyes of all India were turned on Walchand's new venture in pride and wonder

Considering the British Government's need at that period, they should have asked the Hindustan Aircraft Company to build more aircraft than they actually did ask. Their order to the Company was for the production of 100 planes in the space of two years. In view of the quantities of planes which Britain was getting her colonies Canada and Australia to build, after allowing them finance and facilities of many kinds on a very large scale, her order to the Hindustan Aircraft Company appears very modest This explains the note of dissatisfaction sounded by Sir M Visveswarayya in one of his speeches, when he said, "In this present war the fighting is sometimes so stubborn, that a hundred planes are lost in a few short hours, and this is why America has started strenuous efforts to turn out 3,000 planes[11] a month When we consider this, producing 100 planes in India in two years does not strike me as anything to boast about"[12] What he wanted to convey was that, instead of being so close-fisted, the Government of India should be like Canada and Australia, and give money with both hands to encourage an Indian factory to build aircraft on a grand scale But when it took the squeeze of sheer necessity to make it come reluctantly forward to

11 This figure may not be quite accurate In the periodical *Aircraft Production* (October 1941) it says that August was the first month in which America reached the stage of making 1854 planes In 1939 America used to produce only 178 planes a month

12 Speech at the Annual Dinner of Bombay's Association of Indian Industries (July 20, 1941)

help just one Indian company, it would be idle to expect generosity on that scale. Walchand knew this; and yet he never expressed dissatisfaction as Sir M. Visveswarayya did. His business motto was, "Knock down as much as you can pick up, and keep on trying to knock down some more."

In April 1941 the Government of India bought 25 lakhs worth of shares in the Company, and became a shareholder.[13] On its own behalf it attached to the Board of Directors Air Marshall Sir John Higgins, Financial Adviser E T. Coates, and Secretary to the Supply Department E. M. Jenkins Henceforth the Board of Directors was to contain three representatives each of Walchand-Tulsidas-Khatau Ltd, the Mysore Government and the Government of India. This reorganization of the Board strengthened the Hindustan Aircraft Company and speeded up its working, and at the same time, increased its responsibility for supplying Government with ever new types of aircraft, especially bombers and trainers for flying instruction Walchand was then contemplating the production of gliders, sea-planes and tanks also for the Army In particular, the Army felt a particular need of tanks, and manufacturing these would be a very great help to Government Walchand's scheme was officially approved At about this time, the Chrysler Company had opened a tank factory for the American Government. Walchand decided to get its co-operation and start this auxiliary business

Along with tanks, Government wanted gliders, which would be useful for the rapid movement of troops The Government in Britain also felt an acute shortage of these, and it came to Walchand's ears that Lord Beaverbrook had accordingly asked the Tata Company (September 1941) whether it would take on the construction of 400 gliders This was a job worth sixty lakhs of rupees Actually, Lord Beaverbrook should have first asked Hindustan Aircraft about this, and Walchand complained on this score to Government. The Government of India knew nothing of the matter, and in its turn felt angry that Lord Beaverbrook should have omitted to take it into his confidence and directly approached Tatas Letters began to pass, with Government insisting, since it was now identified with the interests of the Hindustan Aircraft Company, that the work of building the glider should go to the Company But in the end, it seems, nothing came of it. Another circumstance was the proviso that this glider must be built large enough to carry 25 troops The

13 At this stage the Company's fully paid-up capital was 75 lakhs of rupees Walchand and his friends, the Mysore Government, and the Government of India were each committed to the tune of 25 lakhs

time allowed for producing it would have proved insufficient Walchand therefore refused to take the risk of pursuing the matter The only lesson he drew from it was that he must step up his production capacity, and equip himself to match Government's requirements at a moment's notice.

The first week of December 1941 turned the War into a new and unforeseen channel The hitherto peaceful-seeming Pacific Ocean suddenly burst into flame On the morning of December 7, a force of 360 Japanese planes rained bombs, for almost two hours and a half, on the American fleet riding at anchor in Pearl Harbour, and with this and attacks by torpedo and dive-bomber, the fleet was reduced to a state of utter chaos Two thousand Americans lost their lives, with nearly as many wounded America's supremacy in the Pacific was smashed, and passed into Japanese hands On the very day of the attack on Pearl Harbour, Japan made an attempt to land troops on the coast of Malaya, and with no prior declaration of war on Britain, suddenly bombed the naval bases of Singapore and Hongkong Jap planes also made fierce raids on the Philippine Islands America and Britain were now obliged to declare war together on Japan

From this day the War's direction changed ; the countries of East and South Asia were caught up in its fearful maelstrom By launching whirlwind attacks of unprecedented ferocity on the naval bases at Pearl Harbour, Hongkong and Singapore, the Jananese air force struck a violent blow at British and American military prestige Even in their dreams, neither of these countries can ever have imagined such a sudden blow So far they had been inebriated with the strength of their fleet and air force Never had they supposed that Japan might be so adept at air fighting On the contrary, they gravely underestimated her qualities in that respect[14] The seventh of December sobered them considerably, and made them revise their opinions about the standard of Japanese air power and martial skill. Both countries were jolted awake, and American neutrality evaporated in a trice.

The declaration of war on Japan changed the whole situation in India, which became a major military base Frantic efforts were started to turn out all kinds of warlike apparatus faster and faster The Hindustan Aircraft Company was now considered an important

14 "The efficiency of the Japanese in air warfare was at this time greatly underestimated by the Americans"
—Winston Churchill *The Second World War*, Volume Three, p 487

centre of operations and Government, no less than Walchand and his friends, made greater efforts for its development.

The flames of War were now blazing over South-East Asia. Japan had launched a three-pronged terror by land, sea and air; her infantry, sailors and airmen stormed swiftly onward Britain's power might collapse at any moment; her mighty and supposedly invincible battleships *Prince of Wales* and *Repulse*, under Japanese attacks by sea and air, had been sent to the bottom This left the way open for Japanese forces to thrust ahead rapidly and safely On the 15th of February 1942, South-East Asia's supposedly impregnable naval base, Singapore, fell into Japanese hands, and Britain's military reputation was smashed to smithereens It was obvious that the ship of the British Empire had been sunk as surely as *Prince of Wales* and *Repulse*.

There was nothing now but for the British Government to barricade the Bay of Bengal and the Indian Ocean as best they might, for their own protection, and to prevent warlike stores from falling into enemy hands None could say when the drone of Jap planes would bring the bombs down on Calcutta, Madras and Colombo This made the Government of India consider the question of adopting a scorched earth policy It felt unsure of its own survival. In such circumstances, it began to consider the desirability of itself destroying the aircraft manufacturing centre at Bangalore, rather than allowing it to reach the enemy. And one day Jenkins, Secretary of the Supply Department, put the tentative question to Walchand · "In case Japanese parachutists enter India, they will make for Bangalore first With the possibility of such a time coming, Government thinks it would be advisable to make advance preparations for blowing up this factory What is your opinion ?"

These words made Walchand boil with anger "Whose factory are you going to blow up ?" he demanded "Is it the British Government's property ? It belongs to the shareholders. First you see about compensating them for the loss, before you talk like that !" Jenkins had no answer.

Government knew that Walchand was a very tough nut, not to be turned easily It then suggested that, in the critical situation then arising from the war, Walchand and his associates, along with the Mysore Government, should sell their shares in the Company to Government, and sever their connection with the Hindustan Aircraft Company

As it viewed Japan's continuous and uninterrupted military successes, the Government of India began to feel that it would not be long before her troops descended on Calcutta and Madras, along with systematic raids of destruction by the supporting naval and air forces From Madras, Bangalore is scarcely 200 miles, a distance which can be covered by an ultra-fast bomber in one hour This meant that it would not take the Japanese planes long to reduce the Hindustan Aircraft Company to rubble. The Government of India's fear was well grounded. Another thing was that about this time, the Company had begun to receive materials needed for planes from the American Government on a lend-lease plan The transactions under this plan were complicated and involved The American Government's chief condition was that these were not to be used for purposes of profit This condition had to be honoured; and yet, so long as merchants like Walchand, Tulsidas Kilachand and Dharamsey Khatau, together with the Mysore Government, held two-thirds of the shares, it was not going to be possible for Government to honour it The Company had been established with a view to commerce, and could not endorse the stand that profit on sales was immaterial The American Government's condition could be honoured only if the Company was Government-owned And this is the reason why Government suggested to Walchand and his friends, as well as the Mysore Govenment, that they should sell it their respective shares

On receipt of Government's suggestion to the above effect, all parties had to accord it serious consideration If a Japanese attack should materialize as envisaged by Government, there would be stupendous loss What guarantee was there that Government would compensate this, in that event? For that matter, what guarantee was there that Government would thereafter still be in existence? And even if it should still be in existence, who could say whether it would be in any position to grant compensation? In the prevailing uncertainty, Walchand and his associates decided that it would be best to get out the funds they had sunk, accept a fair sum in compensatory damages, and sever their connection Only the Mysore Government was not prepared to sell its shares. However, in order to enable Government to manage the Company with a free hand, it undertook not to have any part therein for the period of the War and two years after its conclusion. At the bottom of this counter-proposal made by the Mysore Government to the Government of India, must have been the far-sighted notion that the retention of its connection with the factory would enable it to claim its use as of

right, for the purposes of the industrial reorganization which the State would have to undergo in the post-War years. In the result, the Government of India saw no objection to accepting the Mysore Government's suggestion, in view of its agreement to give a free hand in the running of the factory

On learning the attitude of the Mysore Govenment, the Government of India began negotiations with Walchand (January 1942) Walchand frankly stated whatever he and his friends and associates had to say After protracted wrangling, Government consented to pay the 25 lakhs which Walchand and his friends had put up, together with compensatory damages On account of the latter, it paid 20 lakhs, and in March the mutual negotiations were completed On April 2, 1942 Government, with Walchand's approval, published a detailed statement announcing that it had wholly taken over the affairs of the Hindustan Aircraft Company.

Walchand, it is true, had been connected with the Hindustan Aircraft Company as Director for barely one year and a quarter; yet in so short a time he had brought stability and success to the industry of aircraft production At the same time he had brought forth a new generation trained in the technique of aircraft construction and possessed of the knowledge of handling planes He had opened a new field for young Indian engineers, in which the fruit of their knowledge should give full scope for their skill, and make its contribution to the task of the nation's economic uplift

Though India's acquaintance with modern mechanical technique is of very recent date, it cannot be said that she was deficient in mechanical science The excavations at the Mohenjo-Daro of 3000 B C have now proved beyond dispute that ancient India was well acquainted with the arts of machinery and housing In the Vedas, and especially the Atharva Veda, are found frequent references to engineering science Up to the fifteenth century A D, books on engineering science were written in Sanskrit In the series of attacks perpetrated on India for some time by wild and cruel outsiders of low-grade culture, temples and schools, universities like Nalanda and Taxila and seats of sacred lore, were destroyed. These used to form the chief locations of India's libraries Along with their idols and venerable objects, the books too perished. Of late, just a few books, which have escaped the ravages of foreign attackers, have now and again come to hand Not only do some of these show a knowledge of aeronautics, but in those days aeroplanes of *Shakun* and *Sundar* types used to be manufactured, of which

there were respectively 56 and 25 models. The technique of assembling these has been given in detail, in these books Vishvakarma, Manu, Agastya and Bharadvaj are considered as the compilers of this knowledge.[15] Hitherto we have supposed that the descriptions of aeroplanes which we read in the Puranas and in poetry were fantastic poetic fictions But today the researches of seekers after Truth have forced us to concede that, far from being a figment of poetic fancy, the construction of aeroplanes by the Indians of old is a solid fact.

Walchand's prodigious exertions allowed the knowledge of aeronautics, first born of Indians thousands of years ago but thereafter lying buried, to be reborn in India under a fresh form By founding the Hindustan Aircraft Company, Walchand ushered the air age into India's industrial field. In the list of the great aircraft manufacturing countries, the name of India began to stand out in shining letters

15 Interested readers should see the article "Ancient Indian Aeronautics" in the *Souvenir* published by Delhi's Research Institute of Ancient Scientific Studies, on the occasion of the Conference of the International Congress of Orientalists at Delhi (January 1964)

2.

THE SHIP-BUILDING INDUSTRY ATTEMPT TO REVIVE IT

EVEN as the aircraft construction industry was going on, Walchand had commenced attempts, on behalf of the Scindia Company, to erect another industry in India of equal importance and value. This was the revival of an industry which flourished in India once upon a time, but in the nineteenth century, with the commencement and consolidation of British rule, met with destruction—the ship-building industry

In 1939, a site in Calcutta which had been selected for this industry, was denied to Walchand through the intransigent opposition of Sir Thomas Elderton, Chairman of the Calcutta Port Commissioners But Walchand would not stay his plan, and pursued his search for a site By a stroke of luck, he found the sort of place he wanted at Visakhapatnam He sent a descriptive account of this place to David Erulkar, the Scindia Company's London representative, with the suggestion that he should obtain the advice of one Sir Alexander Gibb, an English engineer who was expert in this industry Erulkar accordingly called on Sir Gibb and requested his advice He sent his interim report in May 1940 "Until a site has been provisionally selected at Visakhapatnam", he said, "and assurance given by the Harbour Authorities that it could be made available at reasonable cost for the purpose of a new ship-yard, it is not possible to prepare a suitable layout The indications are that the total expenditure required at Visakhapatnam as well as the working costs should be less"

Meanwhile, Walchand sent a certain W. O A Young, a marine engineer in the service of the Bombay Steam Navigation Company to Visakhapatnam to inspect the site, and got him to make a comprehensive enquiry While submitting his detailed report (May 25, 1940) he expressed the view that "This site is in all points suitable for ship-building On account of climatic and geographical conditions, and as the sea is smooth for many months in the year

the locality might be suitable for construction of aircraft of land and sea types should such a development be considered "Finding that the opinions of Sir Alexander Gibb and Young were favourable, Walchand finally accepted the Visakhapatnam site, and decided to open his ship-building yard there

On reaching his decision to start his ship-building industry at Visakhapatnam, Walchand communicated his plan to the Government of India, and made enquiries in order to get an idea of the direction in which and the extent to which it would be prepared to assist him For the purpose of considering Walchand's scheme, Government called an informal conference in Simla, on June 22, 1940, of officials concerned with the subject as well as Walchand and his associates. Government was represented at this conference by the Commerce Member Sir A. Ramaswamy Mudaliar, the Communications Member Sir Andrew Clow, Joint Commerce Secretaries N R Pillai and H. C. Prior, Transport Secretaries S N Roy and A D Gorwala, B N Railway Agent Duncan, and Visakhapatnam's Port Officer Lilley Scindias were represented by Walchand, Mansukhlal Master, Gaganvihari Mehta and W O A Young The discussion was a free one, and it was fairly evident that Government would grant some of the facilities and more or less all the concessions expected by Walchand Since the Navy Department would be in a position to consider the problems of the site, the discussion did not go deeply into these The site recommended for the Company's adoption by Young, it was learned, had been earmarked by the Royal Indian Navy, and would not be available unless they waived their claim over it

On returning to Bombay at the conclusion of the Simla conference, Walchand sent Mansukhlal Master and Young on June 28, 1940 to discuss the plot with a certain Fitzherbert, Admiral of the Royal Indian Navy He listened to the whole account with sympathy, and retained the maps which the Scindia Company had prepared, with him for further consideration For the moment, however, he gave no sort of undertaking, merely saying "See me again on the first of July, when I will tell you what I think"

Ere finally settling upon the Visakhapatnam site, Walchand thought it would be better to follow the suggestion of Sir Alexander Gibb, to call some expert of his and get him to make a proper survey as well as to tot up a rough estimate of the cost He therefore wrote to Sir Alexander Gibb to send some one of his experts to India.

Sir Alexander Gibb sent his best engineer, Cyril G Stileman, to

Bombay in August. This individual spent three months in India—August, September, October. During his sojourn here, Admiral Fitzherbert indicated his willingness to waive the Royal Indian Navy's lien over the site selected by Walchand, which made it possible for him to make a proper and unimpeded inspection and survey of the site, and to prepare his report in a definitive and instructive manner This report, after he had discussed it with Sir Alexander Gibb on his return to England, he submitted to the Scindia Company with full notes, in March 1941 It contained an estimate of Rs 79,33,333 as the likely cost of erecting the ship-building yard Walchand had estimated that this new industry would need nearly one crore of rupees, and in February 1940 he had called a Special Meeting of the Scindia Company, at which he had secured consent to raising the Company's capital from one and a half crores to two crores and a quarter

After the Royal Indian Navy waived its lien over the site, and officially notified Government that it had no objection to its being leased to the Scindia Company on a 99-year agreement, the Company took possession of it on November 13, 1940 The area was 57½ acres Although this was sufficient for the ship-building yard, still more land was needed for building quarters and providing other amenities for the workmen This land also—approximately 145 acres—was quickly obtained

Visakhapatnam is a city of Andhra Pradesh, situated on the Coromandel coast of the Bay of Bengal, mid-way between Calcutta and Madras Calcutta is 450 miles away, and Madras 400 miles In the 850 miles of coastline between these two ports, Visakhapatnam is the only large port where steamers can touch At whatever small ports there may be in between, any goods reaching them from the hinterland for transport to Calcutta or Madras, have to be loaded on to lighters, and thence to the cargo steamers which have to stand off far away in deep water Visakhapatnam's harbour, although on the coast of the Bay of Bengal, does not face the open sea The sea runs up for a mile in the fork of two rocky promontories, making a creek, at the side of which the harbour is built in the lee of a hill This makes the place peaceful and charming, and at the same time naturally protected Leaving the sea, a ship at first has no idea that inside there can be a large and strong harbour. Into this four-mile-wide creek drains the Maulderu River, ensuring that it is always brimful of water The depth here is from 35 to 45 feet It is practically never invaded by stormy winds In comparison

with the climates of Bombay, Madras or Calcutta, the climate here is more congenial for the work of building ships. The rainy season is never known to linger on here, as it does elsewhere And such rain as does fall, is steady , with the result that work is not impeded, and can go on all the year round

For many years this spot on the Coromandel coast, capable of proving so convenient and well adapted from the sheer viewpoint of the shipping business, had suffered official neglect. In point of fact, a rail link with the hinterland areas would be found to render Visakhapatnam extremely convenient for the transport of goods from Central India, Orissa, Bihar and northern Madras to the districts of East and South India or to foreign countries, with economy of cost and time But such a notion either did not enter the head of Government until World War I, or was not taken seriously From time to time plans would be made, but for one reason or another they would fizzle out After 1925 the Government of the then Madras Presidency, the Bengal-Nagpur Railway and the Visakhapatnam municipal council all got together and decided to develop the port, drafted a scheme, put it resolutely into execution, and opened the port in 1933 The building of the Raipur-Bezwada line linked Visakhapatnam with the hinterland areas. The Howrah-Madras line of the Madras and Southern Mahratta Railway was also joined up with it

From now on the port began to flourish, with cargo steamers, both Indian and foreign, touching there, it began a large-scale export of manganese, myrobalans (terminalia bellerica) both raw and ripe, coir, tobacco, and groundnuts, and an import of mineral oil, machinery, food-grains, cloth and sugar This brought to Visakhapatnam a growing importance It was evidently destined soon to attain the stature of such leading major ports as Karachi, Bombay and Calcutta, and its bright future was never in doubt When Walchand saw its ripeness for expansion, he felt convinced that this was the very place which would help and serve him in realizing those ambitions which he had cherished in his heart for the expansion of India's shipping, and the dreams of its future glory which were floating through his mind On the soil of expansion-ripe Visakhapatnam he resolved to plant the flag of his scheme for expanding his shipping business

Walchand betrayed his ambitions for the shipping industry, and the dreams about it which ever floated through his mind, in January 1940, when he spoke at the dinner given in his honour at Bombay's

Willingdon Sports Club by Pranlal Devkaran Nanjee, and presided over by Sardar Vallabhbhai Patel[1] To realize that dream, Walchand had made his every move with determination and precision This first step of his towards building steamships at Visakhapatnam was in that sense a first step towards things to come

When they heard Walchand's ambitions as expressed by him, and beheld the pictures which he drew of his dreams about them, many Indians who looked forward to a bright future for India found their hearts enthused and aflame with hope A man so far above idle fancies as Sir P S. Sivaswamy Iyer—a master of logic and a shrewd legal luminary—could not forbear from writing to Walchand expressly to convey the joy he had felt on reading in the newspapers of that declaration and those dreams of Walchand's He wrote · "I entirely share your patriotic dreams for the growth of Indian shipping and the shipping industry, and I hope that some day in the future they may come true Some time ago I read in the papers that you wanted to start a ship-building industry in India This also has been one of my ardent wishes Ship-building is one of the main key industries of Britain and we cannot therefore expect any encouragement or help from the British Government in the development of our own shipping but they dare not impose restrictions I have often felt that if the Mahatma had exercised his wonderful influence over his countrymen for the purpose of promoting the large scale industrial development of India and had, for instance, raised sufficient capital for the creation of a fleet of 100 ships for an Indian mercantile marine, we should have been in a better position to withstand the competition of foreign shipping even without the support of the Government I do not minimise the importance of political liberty for which Gandhiji has been agitating, though I think he is wrong in asking for political independence as distinguished from Dominion Status The Industrial development of India would have hastened its political development also Of course I do not expect you to agree with me in this matter

"Hoping that it may be given to you to see the fruition of some at least of your dreams"[2]

Walchand, in reply to Sir Sivaswamy's above-mentioned letter, wrote "I was very happy to receive your kind letter of the 1st instant and more so because you entirely share my patriotic dreams for the growth of Indian shipping and the Indian Shipping Industry

1 See the chapter "Life's Pattern" at the beginning of the present book
2 Letter from Sir Sivaswamy Iyer, February 1, 1940, Madras

It is a matter of great encouragement and not a little satisfaction that your interest in the growth of an Indian Mercantile Marine owned, controlled and managed by Indians is as keen and as living now as it was 21 years ago."[3]

"As regards the Ship-building Industry, I fully agree with you that we cannot expect any encouragement and help from the British Government in the development of the Ship-building Industry in this country, but I wonder if they would not impose any restrictions in connection therewith I may tell you that we are trying to obtain the site for the ship-building yard at Calcutta As you know, the British element dominates in the administration of the Calcutta Port Trust

"Not being a politician, I shall not enter into any discussion as regards the difference between political independence and dominion status As a businessman I am only anxious to have complete freedom to run my industries in the interests of my country and full freedom to evolve such Constitution for my country as may be desirable in her best interests"

Sir Sivaswamy Iyer had opined that for promoting large-scale industries in India in a generous degree, capital must be raised in an equally generous degree, and that such could be raised by a man like Gandhiji if he were so minded[4] With reference to this, Walchand further writes in the same letter "I need not add that if the large frozen Capital which is lying with the State or which is lying with a number of shrines can be harnessed for industrial activity of the country, it would be really a step in the right direction Mahatmaji's views of large scale industrial development are well-known Whatever they may be, all my energies are directed under all the present restrictions and limitations from which we have to suffer towards development of large scale industries and you

3 Twenty-one years had now (1940) elapsed since the Indian Mercantile Marine had been born (1919) in the shape of the Scindia Company

4 With the object that the hopeful surmise of Sir Sivaswamy Iyer should reach Gandhiji's ears, Walchand sent copies of the knight's letter, and of his reply thereto, to Gandhiji's secretary Mahadev Desai (16-2-1940) Mahadevbhai conveyed his views on the subject to Walchand in a letter (25-2-1940) which ran as follows

"I know that Gandhiji could have done much for developing our merchant shipping and many other things If he was industrial-minded and not rural-minded, it would have pleased many industrialists, but then Gandhiji would not have been the Gandhiji that he is His very limitations constitute his strength and make him what he is Sometimes he is the despair of his own followers and I often wonder how long I can tread the difficult path with him But our desires and our aspirations, our limitations and our weakness do not count with him He chooses to follow the path that his *sadhana* has chalked out For him, no matter what it may cost, no matter whether the whole world is with him or against him"

will be glad to learn that I am now busy finalizing the arrangements for a Motor Car Industry in this country In addition to this, I submitted a proposal on behalf of the Scindia Company for the manufacture of Bombers but as you know, the Scindia is not a favourite child of the Government and nothing has been done in that direction up to now, although I understand that they are going to set apart over Rs 2½ crores for the purpose of developing aeroplanes in this country.

"I am leaving Bombay on Thursday, the 22nd instant by the Madras Mail and shall be in Madras on Saturday, the 24th I shall be leaving the same night for Ceylon I hope to see you when I am in Madras

The Indian ship-building industry had once reached the topmost flight It had followed an uninterrupted course up to the beginning of the nineteenth century. Indeed, in days of old the town of Bombay led all the rest in the field of shipping Even ships built in England could not compare with the ships coming off the Bombay stocks to supply the needs of the East India Company The Wadia family of Bombay was totally devoted to this trade. They got this name Wadia through an anglicization of the Gujarati name Wadhiyo, which means "a builder of ships" One Jamshedji Bomanji [1756-1821] of this family was a master shipwright whose fame extended not only over India but even to Europe The man-of-war *Minden*, which he built between 1808 and 1810 for the East India Company, carried his fame far and wide through Europe and America The *Minden* was the first of a new type built for the Royal Navy.[5] This vessel sailed from Bombay on June 11, 1810, and on reaching London aroused so much admiration that the Admiralty publicly honoured her builder—that Jamshedji Bomanji—with a silver salver

Between 1810 and 1821 Jamshedji built many ships for the East India Company, five of which were of 74 guns. The 1406-ton

5 The following public observations then made about this ship deserve notice, they will also afford an idea of the lofty heights to which ship-building in Bombay had atained "Bombay is entitled to the distinguished praise of providing the first and only ship of the line built out of the limits of the Mother Country (England) and in the opinion of the competent judges, the *Minden* for beauty of construction and strength of frame may stand in competition with any of the Men-of-War that has come out of the most celebrated Dockyards of Great Britain"—*Bombay Courier*

"The report made by the surveyors of the Navy will not note any fault, for they were not only satisfied but much gratified by the inspection I have heard many of the officers declare that no ship so highly finished had been launched from any of His Majesty's Dockyards, or any yards in England during the last fifty years '

—Captain S W Hoare Report on '*minden*'

Earl Balcarrass which the man built was so sturdy that she remained in service for 52 years. His last vessel, the *Ganges*, was of 2289 tons. For this feat, the Bombay Government gave Jamshedji grants of land in Bombay and Salsette with an annual income of Rs 6,000/-. After this Jamshedji Wadia's death, the family tradition of ship-building did not survive long Unable to tolerate the excellence of Indian ship-building, the British shipping trade made a regular campaign against the East India Company's policy of building ships in Bombay[6] Vessels of Indian manufacture were refused inclusion in the British Register In fact, the Honourable Company had to give up its policy ; and as a result of this action, the ship-building trade in Bombay quickly came to an end Up to 1863 it hung on somehow, but thereafter it was wholly extinguished by the stern opposition of British merchants Since the local craftsmen could obtain no work beyond everyday ship repairs, the whole craft of ship-building fell gradually into desuetude When changing times brought a change in the naval art, lack of opportunity left these craftsmen strangers to it The breed of Indian naval craftsmen died out In order that Britain's ship-building might live, India's had to perish. Indian ship-building, it is alleged, with its reliance on wood, perished when the advent of steamships ushered in the reliance on iron and steel Such a statement, however, is deceptive and the fruit of ignorance It is as clear as daylight that it was the British Government's total refusal to allow ships to be built in India with the benefit of the new techniques and media, which prevented this industry from expanding

The whole of this pageant passed before Walchand's eyes, with all its many features calculated to set a patriot's heart afire. How could the soul of a burning nationalist like Walchand have failed to take the fire ?

Ever since deciding to open a yard in India for building and repairing steamships, Walchand had busied himself in assembling machines, mechanics, and marine engineers The outbreak of the World War prevented his efforts from meeting with their due success "Give us permission", he begged the British Government, "to buy machines and tools in England, or to buy the

6 One Dr Taylor writes in his book *Ancient and Modern India* "The arrival in the port of London of Indian produce in Indian-built ships created a sensation among the monopolists which could not be exceeded if a hostile fleet had appeared in the Thames Ship-builders of the Port of London took the lead in raising the cry of alarm They declared that their business was in danger and that the families of all the shipwrights in England were certain to be reduced to starvation"

whole of a ship-building yard from your country, and bring it to India as it stands" "If", came the reply, "the Government of India supports and recommends your scheme, we will consider it." Walchand accordingly did his best to obtain the Government of India's support "This industry of ours", he urged, "should be classed among those which assist the war effort So long as the War continues, we will place every single steamer built in our yard at Government's disposal, for War purposes". Government however flatly replied that "Government does not consider it to be a part of the War effort, and therefore no direct assistance can be given by Government to the Indian steamship building industry" Such being the Government of India's settled policy, it began to be difficult to obtain the machines and steel required for building steamships. Even an Indian company like the Tata Iron & Steel Company, owing to official restrictions upon its sales, began to demur at supplying iron and steel.

At the very time when Britain's Government was giving the cold shoulder to Walchand's project of building steamships, she was adapting two of her other colonies, Australia and Canada, to this industry, and coming forward to give them help of every sort The Canadian Government had itself set aside a sum of fifty million dollars, and embarked on a programme of building one hundred steamers On her east and west coasts 16 extensive yards had been established, and warships of large size were being built In addition, the construction of small steamers was going on in eight yards Nearly 14,000 workmen were engaged in these yards, day and night Over and above the warships, 18 cargo steamers of high tonnage were being especially built for the British Government

Similarly to the Canadian Government, the Government of Australia had set aside one hundred and fifty thousand pounds as a free subsidy for three years, as an incentive to this industry Following the policy of letting the steamship-building industry increase more and more, with a consequent increase in the people's daily wages, the Government of that country had already started the practice of giving financial assistance towards the initial expenses of anyone who should set up new yards In the matter of steamships, it was determined not to be dependent on Great Britain or any other country Even steamboats required for the Royal Indian Navy in India were built in its yards.

While the steamship-building industry was getting encouragement in these two colonies of the British Empire, from the local

governments as well as from the British Government—in fact, albeit indirectly, from the Government of India too—only India was being denied this encouragement on one pretext or another. Walchand explained the whole set-up to Pandit Hridayanath Kunzru, then a member of the India Council of State, and persuaded him to put questions to Government about it at a meeting of the Council (November 29, 1940) Government's replies were halting and ambiguous, of the type of "It is not possible to say either that encouragement can definitely be given or that it definitely cannot be given". "After the most pressing War needs are met, some assistance will be given from time to time if circumstances permit" and "Not considering the steamship-building industry a part of the War effort, Government has no intention of giving assistance of a direct nature", were the replies which two officials gave on behalf of Government to Kunzru's queries Walchand had received a similar sort of reply from Government to a past request, and he expected nothing different in the case of Kunzru's enquiry In putting up Kunzru to ask questions, he must presumably have thought, "Let's test Government once more through someone else"

Help or no help from Government, Walchand resolved to get to work on his scheme without counting on it His plan was to visit Visakhapatnam personally and meet the leading citizens, to let them know about his scheme and get their co-operation, to make a personal inspection of the area and acquaint himself with the local situation, and to discuss with experienced and intelligent persons when and how he should make a beginning; and with these objectives in mind he went there at the end of October 1940

At the news of Walchand's intended visit to Visakhapatnam, the local leaders were overjoyed They sensed that by starting his steamship-building industry close to their city, he would be giving a tremendous fillip to its development On the day of Walchand's arrival, a large crowd of them waited at Waltair Station[7] and welcomed him On November 1, Visakhapatnam's Municipal Council and Chamber of Commerce held separate meetings to honour him, and each presented him with a scroll of honour In most cases, a "Scroll of Honour" is found to denote a fulsome praising of the individual selected for honouring, with an extravagant scattering of epithets These two scrolls, however, proved an exception They accurately described Walchand's undertaking in carefully measured

7 Persons coming from Bombay or Calcutta find it more convenient to alight at this station for Visakhapatnam

terms, and testified briefly to the hopes which the citizens and traders entertained from Walchand's impending close association with Visakhapatnam A reading of these scrolls of honour gives one an idea of how even people in a city of a different province like Visakhapatnam clearly recognized the force of Walchand's personality and the uniqueness of his creativity, and how confident they felt that his industrial venture would positively help them to a glowing future. And the way in which these men of a different province felt about Walchand, fills one's mind with mingled pride and joy.

The honour shown to him by the citizens of Visakhapatnam, the way they had welcomed him as one of themselves, and the respect they had accorded him, made Walchand's heart overflow. He felt that with this honour his venture had been launched under the happiest auspices

During his stay in Visakhapatnam Walchand met merchants, traders, public workers, and Government servants; he toured the city's surroundings; he made all sorts of enquiries, and looked minutely into the condition of the people The realization that the site selected by his associates and advisers was one hundred per cent suitable, brought him satisfaction and filled him with enthusiasm Most of all, when he learned that in ancient days Visakhapatnam had been an important centre of the shipbuilding trade, and heard from men's lips the story of how its ships used to make regular trading voyages to South-East Asia's maritime territories of Ceylon, Siam, Malaya, Cambodia, Java and Sumatra, he went into virtual transports of enthusiasm He felt that the Lord of India's Destiny must be thinking of re-writing that story, with himself as a humble instrument. Should this be so, the hope sprang in his heart that He would point the way to him from today's care-worn nights, and show him—after some while, perchance—the glad day of triumph He began to feel a confidence that he would soon behold the dawn of the shipbuilding industry's resurrection Caring nought for contrary winds and black despair, he turned his feet towards the star of his ideals and walked briskly ahead. And ever from the Lord of India's Destiny came words of courage.

"Bright shall the Future be of them who have gone through ordeals;
Thus runs the Lesson taught by Hist'ry, now and always.
Wherefore then should dread Care within the Heart be cherished?
Night fades, and Day gilds the pathways of the East"

3.

NIGHT HAS FADED, DAWN HAS BROKEN

WHEN the Report of the Indian Mercantile Marine Committee was published sixteen years earlier (March 5, 1924) it had recommended the earliest possible starting of a ship-building industry in India, in the following terms.

"If a ship-building yard is projected by an Indian Company, the Government may aid that enterprise by (a) advancing a cheap loan to the extent of one third of the paid up capital of that company and assistance in acquiring suitable sites; (b) guaranteeing the giving of all Government and Port Trust work to this shipyard at a cost not unduly higher than the cheapest price which can be secured abroad for a similar class of work, and (c) legislating that, when such a suitable ship-building yard is completed and established all ships seeking for a licence on the coast should also be required to have been built in India."

To this recommendation of the Committee Sir Lallubhai Samaldas had added a rider that he would prefer the Government pioneering this enterprise and establishing and maintaining a ship-building yard at its own cost. Although sixteen years had passed since the Committee's report was published, its recommendations had neither received nor showed any likelihood of receiving consideration by Government

In an India already upon the road to industrial and commercial expansion, the expansion of the means of transport has today become a matter of vital necessity. For sea and river transport, an acute need has made itself felt for vessels of different types and patterns Walchand had recognized, when he set foot in the shipbuilding field, that if this need could be supplied in good time by building ships in India at an increasing pace, it would exercise a beneficial effect on industry and the economy There is scope for 100 to 150 steamers to ply daily along the coasts of India, Ceylon and Burma. If that

number of Indian steamers should begin to plough the sea, this would naturally involve maintaining an industry for repairing them and for building new ships to replace such of them as might become unserviceable Certainly in wartime, there is an increase in the number of steamers sunk or disabled At such a time the combatant nations feel a keen want of self-sufficient, competent and go-ahead shipyards; and this calls for a very marked advance in the ship-building industry During the Great War, Japan and America met Britain's needs of steamers and other vessels by opening new yards; and at the same time they expanded their respective ship-building industries and furthered their development.

At this period (1938-39) the annual quantity of rice, building timber, coal, salt, oil and other goods carried on the coast of India amounted to nearly seven million tons The carriage of passengers was fifteen lakhs on the West coast and five lakhs between India and Burma Overseas carriage was twenty-five million tons of goods and nearly two million passengers And all these transactions involved a turnover of four hundred crores of rupees Considering the carriage to be expected in merchandise and passengers over the seas which surround India on three sides, how enviable would be her economic position, if she could have a Marine built by her own engineers, sailed by her own seamen, and managed by her own commercial associations! But for India to achieve such a happy state did not suit the British politicians of that day Indian shipping's gain, they felt, would be British shipping's loss How should they pursue a policy calculated to shock the one industry on which Britain's prosperity was principally founded?

This Indian coastal transport ought to be carried on, as is done by the Marine in other countries, by the Indian Mercantile Marine as of right This right, however, the British Government would never concede Of this transport the Indian Marine obtained a beggarly 21%, the remaining 79% being appropriated by the British Marine Overseas transport indeed had become Britain's hereditary preserve, from which the Indian Marine was totally warned off In such conditions, how could the Indian Marine grow? And without its growth, how were the steamship-building and repairing industries to grow? In 1940 the total tonnage of Indian steamships was 131,748 gross tons, while of British steamships it was above 17,891,000, of which no less than 2,756,400 gross tons were occupied exclusively in overseas freight from India. Britain's maritime trade stood at £1354 million, as against India's £241 million; so tremendous was

the disparity between the maritime trade of Britain and that of India! What a deplorable and shameful state of affairs!

It was to remedy this that Walchand had striven since 1919 for 21 continuous years. "The whole of Germany's destiny", a German Emperor used to declare, "lies on the sea" Walchand too felt that India's destiny, for good or ill, rested upon the sea "That country which carries its goods to and fro in foreign ships", he used to say, "is feeding a great deal of its wealth into others' mouths Such countries are doomed to everlasting poverty. If it is felt that this should be avoided, and the national wealth increased, huge efforts must be made to acquire the wealth that comes from the sea" To which he would further add, "Do not economists and historians assert that Britain's economic advance in the last century is entirely due to her having gained control of two thirds of the world's maritime transport, and to her having established a vast industry through building in her own yards the ships she needed herself and in addition ships for the other nations of the world? It is the example of the British which has inspired all my earnest efforts to get India's merchandise carried to and fro in Indian ships"

On the very outbreak of World War II, Walchand made a plan to compel Government to initiate a movement for building steamships in India, in order to recoup the daily losses in steamships, just as the two colonies of Canada and Australia were doing, or at least to assist Indians who were initiating one His idea was that in all probability, once the industry was launched for the purpose of building steamers to supply the needs of war, on the cessation of the war it would continue and grow, in order to supply the needs of India's growing maritime transport

Since practically all the materials required for shipbuilding, with the exception of engines, propellers, and some other machinery, were easily obtainable in India, Walchand reckoned that the work of building should not prove particularly difficult. Even though for some time at first it might be necessary to rely on foreign countries for engines and propellers, he said they must have confidence that the manufacture of these too in India would make them self-sufficient In a place like Hongkong, which totally lacked the raw materials for ship-building, these were imported from outside and a beginning had been made of repairing and building ships Under the fierce exigencies of war, the building and repairing of naval vessels had been started even in the foreign ship-repair workshops on Indian soil. The Government of India had given these workshops

orders worth forty lakhs of rupees Looking to India's extensive coastline, the considerable volume of commercial freight along it, and its excellent convenient harbours, it was absolutely essential to set up here and there ship-building yards run on modern lines. If such yards were laid down, it would be possible to build in them not merely cargo and passenger carriers, but large fully-equipped steamships of the special types required for the Navy. There was also every possibility of building in these yards large and small tugs, bulk carriers, dredgers, small steamboats for river cruising, trawlers and tankers Walchand had all this in mind as he determined, no matter what difficulties might confront him, to launch this industry by laying down a yard at Visakhapatnam.

On his return to Bombay, Walchand despatched a hard-working and devoted employee of Scindias, V S. Narayanan, to Visakhapatnam, and made arrangements for opening the Company's office there On November 4, 1940 this was opened in the Meher Mansion now used as a guest house. Messrs A. V. Bhanojirao and Garud Pattabhiramayya and Co were already seeing to the Scindia Company's business there as local representatives With their assistance Narayanan got on with the advance preparations On November 13, 1940 the site of the proposed yard was handed over to the Company by the Port authorities This done, a start was made on the preliminary work according to the interim design prepared by Cyril Stileman, the shipyard engineer sent by Sir Alexander Gibb "The shipyard construction work was entrusted to Hindustan Construction Co. They started collecting the materials which were very scarce then The work of recruiting suitable workmen for civil engineering work and also for unloading heavy and delicate machinery parts presented difficulties since there was no industrial or major building activity at Visakhapatnam, then Transport was yet another serious problem as the only connecting link between Visakhapatnam Town and the shipyard and Colony sites was the 'Tepparevu Ferry' (operated by the Port) It took nearly half an hour, at times even longer, to cross the channel of about 500 feet width To minimize this delay, a small rowing boat had to be employed."[1]

In March 1941, on receipt of the final design from Sir Alexander Gibb, further yard-building work was started in a regular fashion, with the assistance of the Hindustan Construction Company under the supervision of that Stileman's team of experts

1 V. S Narayanan 'Reminiscences', *Shipyard Review*, August 1959, p 28

The design provided for constructing eight berths, with the object of enabling steamers of 550 feet length to be built Out of these, the work of constructing two berths was taken up, with the slipways to serve them. At the same time, a prompt beginning was made in the construction of a pier for unloading materials brought by sea, a dry dock, a keel welding shop as an adjunct to the steamer building, a blacksmith's shop, a carpenter's shop, a spacious yard for the neat storage of building timber, buildings for the main office and designing office, quarters for staff, executives and workmen, and roads to connect the harbour with the railway station Without completing these works, there was no possibility of commencing the work of ship-building. Steel was yet to come to hand. After obtaining an assurance that ships built in the yard would be handed over to Government, the British Admiralty and connected Government departments had given permission for the import from Britain of a machine shop, various types of machines required for keel welding, sufficient propelling machinery for building two tramp steamers of 8000 tons dead weight, stern[2] frames, rudderstocks, and seven marine engineers The above were yet to arrive

As soon as the bulk of the preparatory work had been completed on the site of the yard, Walchand arranged to perform the function of laying the foundation stone. The date fixed upon was June 21, 1941 It was decided that the stone should be laid by that year's Congress President Babu Rajendra Prasad; an invitation was accordingly sent to him, which he accepted. Meanwhile, however, a difficulty arose The twenty-first, in the opinion of the local astrologers, was not very auspicious; they recommended that the stone be laid on the nineteenth. The twenty-first had been fixed looking Babu Rajendra Prasad's availability and convenience, with his concurrence, and changing it was out of the question In choosing lucky days, Walchand used to follow his own inspiration rather than the astrologers' forecasts, and he never waited around for a favourable conjunction of the planets. Whatever time his mind told him was suitable for the business, was lucky in his eyes. Such of his associates as Mansukhlal Master felt the same, as this gentleman once testified while writing to Shantikumar Morarjee[3]

When the opinion of the Visakhapatnam astrologers was brought to his notice, Walchand decided the matter without a moment's hesita-

2 The very last part of a ship, next to the rudder.
3 "Our Chairman has not to wait for the approach of the auspicious moments, because the moments which touch him become auspicious by that very touch"—May 22, 1939

tion. "Very good. We'll keep both days—the nineteenth which they recommend and the twenty-first which they don't On the nineteenth, let the Five Jewel ceremony be held at the selected spot. On the twenty-first, let the stone-laying ceremony be held as we arranged." He had no intention of hurting the feelings of the astrologers or of the locals who respected their opinion, neither did he propose to make any change in his plans Walchand's associates and employees were amazed at his ready resource. On Thursday, June 19, 1941, he got his Visakhapatnam clerk V S Narayanan to perform the religious rites connected with depositing the *Pancha Ratnams* (five kinds of jewels), the day's newspaper etc., five feet deep in the ground under the present No 2 Berth On the twenty-first, the foundation stone laying ceremony was also held as previously arranged

Invitations for the ceremony had gone out to four thousand prominent citizens of India. Walchand had firmly instructed his subordinates that none but Indians, and no foreigners, were to be invited These instructions they on their part had done their best to follow One day, however, among the letters of acceptance was found a letter from the European Collector of Visakhapatnam, to the organizing staff's dismay Somebody's carelessness must have allowed an invitation to go to him The organizers reported this gaffe to the Head Office by a trunk call to Bombay, and asked how the stain should be washed out "If the Collector attends," they were told, "let him do so Don't take your error to heart"

It was the Government of India's mistreatment of the national leaders and its lack of sympathy with the country's industries, which inspired Walchand's decision not to invite foreigners to this ceremony Another in his place would have valued the privilege of having the foundation stone laid by the Viceroy or the Governor; but Walchand was in a different category He considered the President of the Indian National Congress which fought for the country's freedom to be superior and more worthy of respect than either Viceroy or Governor; and this feeling made him think it a matter of fitness and pride that such a one should plant the flag of resurrection for what was one of the keystones of industry, namely, shipping

It was a Saturday In the morning, the yard's foundation stone was laid by Babu Rajendra Prasad with traditional ceremony, and the name "Gandhigram" given to that piece of land and the adjoining portion which held the workmen's quarters. At five in the

evening, in a huge pavilion adorned with sprays of creepers and boughs marked with swastikas, the ceremony was inaugurated under the presidentship of Babu Rajendra Prasad. This historic occasion was attended by three thousand guests from the different parts of India. They included industrialists of the very foremost rank, members of the shipping industry, the best brains from various fields of commerce, and prominent public workers. In his welcoming address, Walchand recounted the ancient history of India's ship-building, together with the story of his own struggle to revive it, of the difficulties which had dogged his every footstep while so doing, and of Government's want of sympathy; and in clear language he proclaimed his determination to march ahead, caring naught for obstacles and opposition, and keeping his gaze fixed unwavering upon his goal. He concluded with the following words:

"The Indian Commercial community, need I assure you, recognizes therefore, in its own interests and in the largest interests of the country that it is its duty to give its support as far as possible to the great national organization of which you are an eminent leader, in its fight for the attainment of that political power which will enable India to work out its destiny in the interests of its people as a real equal among the free nations of the world. May I now, as a humble representative of that commercial community and as the Chairman of the National Shipping Company which has launched this new enterprise, request you to confer your blessings for the prospects and success of this first Ship-building Yard at Visakhapatnam so that ships built in this Yard may become important units of the Indian Merchant Navy worthy of India of the future and enrich the maritime trades of India by carrying its products on all the seas of the world and thus revive the glory of the past Shipbuilding industry of this great and ancient land."

Babu Rajendra Prasad commenced his address with an exhaustive account of the earliest Indian navigation, which had found no part in Walchand's speech. Since his study of ancient India history had been deep and minute, his account was naturally comprehensive; but beyond this, it was also calculated to inspire fresh hopes with its true picture of former glories. By way of recapitulation he said:

"In spite of the much vaunted and much advertised aid to industries which the war is supposed to have given, one does not see any signs in India of establishment of industries which have the least chance of competing with British industries when peace returns. In India all that is being done is to help establishment of

arsenals and ammunition factories which will cease to function as soon as the war ends But in other countries the war has led to the establishment and expansion of industries which will last even after the war. Have the Government of India done anything to foster any such industries in India ? The history of the efforts to start a factory for manufacture of automobiles, of locomotives for Railways, of Aeroplanes, and aluminium and of building of ships, furnished an answer to this question. The Government of India are concerned with the problem which may arise on account of dislocation in industries at the end of the war and are far-seeing enough to appoint a Committee to study it ! But industrialists know how great is the difficulty they have to encounter when they go up with proposals to establish any of the industries of the nature mentioned above. It is truly heart-breaking We have put up with all this because India does not posses the power to safeguard her own interest and to manage her own affairs What little success had been achieved in industrialization has been in spite of the Government and not with its assistance We must continue our struggle for the freedom of the country Foreign Government and foreign exploitation go hand in hand and we cannot get rid of the latter unless we are free of the former I congratulate the Scindia Steam Navigation Company on the great step which they are taking today for establishing once again the shipbuilding industry in India I hope in this great enterprise they will secure the help and co-operation of all Indians and on their part will not ignore the claims of the country and specially of the workers working on them for a just and fair share in their fortune No one knows better than you do the handicap under which you and any other Swadeshi concern have to work This is going to be no exception unless things change radically

"I want, however, to state this The Congress today may be far from the citadels of power and may be even suppressed for a time, but the nation's will to freedom cannot be scotched and the tide of national feelings cannot be artificially turned back. Sooner or later, we shall be masters in our own house and be in a position to shape the economic, industrial and fiscal policies of this country in the interests of India. Today we may not be able to give you anything more than our sympathy and moral support and even consolation in your disappointment, but there is always a tomorrow, and the brighter tomorrow, for a nation can never fail to rise. There is, therefore, no cause to be disheartened or dispirited. It was late Shri Gopal Krishna Gokhale who said that we have to serve India

by our failures but success is the last of a series of failures If despite all adverse conditions Governmental apathy and hostility of British vested interests, the Scindia Company has not only managed to survive but also to establish for itself a place, however humble and insignificant, in the world of shipping, I have no reason to doubt that your efforts for building ships of all kinds and types for the carriage of trade round the coast of India, and the vast oceans of the world, will fructify at no distant date. If the Government constituted as they are, are unwilling or unable to lend you active support in this most praiseworthy and nation-building enterprise that constitutes still further condemnation of the political system obtaining in this country, which is devoid of a national outlook or policy and which in vital matters subordinates the interests of India to the economic interests of Britain Let me repeat that such a system cannot last because it is fundamentally against the spirit of the times and offends the deeper consciousness of the nation. When such a system is replaced by one that is representative of and responsible to the people of this country the serious grievances which you have ventilated and the injustices from which you suffer cannot but be removed and remedied My appeal to you therefore is not to lose heart but to strive honestly and to the best of your abilities in the peculiar circumstances in which we are placed in our own country to achieve the object on which we all have set our heart, namely, the economic independence and regeneration of this country of which this modern shipyard reviving one of the most ancient industries of India, is a significant symbol

"You will be making a great contribution to the building up of an essential national industry under the control, direction and management of Indians if you succeed Under the guidance of you, Seth Walchand Hirachand, and your other colleagues and with your great organizing talent and drive a great future awaits this enterprise. I wish you God-speed and abundant success in your noble endeavour "

Babu Rajendra Prasad was followed by Sarojini Naidu in a stirring address. Ignoring her own poor health, she had appreciated the historic importance of that day's function and insisted on being present In her speech she said:

"We read of Indian colonies of the past. In what ships did our men go to far off perilous corners of the earth, to distant China, to lands beyond the Pacific ? In what ships did those fine fabrics which the Princesses of Greece and Rome loved to wear go abroad ? In

what ships were carried those tissues in which the mummies of Egypt were wrapped? In what ships did the missionaries carry abroad Asoka's message? Were they not all ships built by Indian hands to carry the glory of India to foreign lands? Travellers and ambassadors that come here have narrated the story of Indian civilization in all its greatness and volume, not the least important part of which was her great national shipping It was not a national venture merely, but it was a great international link between India and far off countries The culture of the whole world has been harmonized in India; for India took also from others and gave it back with a stamp all her own In the new international life to be born, I hope Mr. Walchand and his colleagues will play a great part and that India will be able to send out her sons as ambassadors of a free country and they will go sailing in India's ships charged with the mission of maintaining international relations as well as interchange of commerce I look forward to the day when making our own laws, being responsible for our own defence, with not a single unlearned man, with all fear of exploitation annihilated, no longer harried, disinherited and exiled while living in our own country, we would stand up and say · Here is united India, a Free India, offering full scope for every industry, either revived or newly created. Let us hope that this ship-building industry will be the precursor and the prophecy of the birth of other great industries This then will be a most far-reaching industrial and political achievement and I congratulate the promoters of the enterprise on giving shape to a dream As a Brahmin, I give my hearty blessings to them, to the ships that would be built in the yard, to all merchandise that would go and all the passengers that would travel by the vessels and most of all, to the ambassadors who will carry to the ends of the earth the message of the Great Mahatma"

That day, Walchand unfolded to his fellow countrymen his grand designs for restoring to her former place an India which had once been in the forefront of all maritime powers, but had of late been shackled by the conqueror's chains and fallen behind. The entire country heartily wished his designs success India's best and noblest sons, Gandhiji and Rabindranath Tagore, congratulated their courageous brother Walchand in the following terms:—"May your enterprise be successful and may it be beneficial to the whole country",[4] and "The future generations of our country will have reason to remember this occasion with gratitude I hope the day

4 Mahatma Gandhi

is not distant when Indians shall sail the seas in their own ships flying the flag of their own country."[5]

That day, Walchand was deluged by a stream of congratulations from prominent leaders from every corner of India. That day, he had accomplished an important stage in industrial expansion. The whole of awakened India had fixed its eyes upon this new industry of his

During the four months following the ceremony, the preparatory work required for building and repairing steamships was practically completed In November 1941 one Cruickshank, an engineer who had been appointed Chief Supervisor of the yard, came out from England with six marine engineers. He began to work under the direction of Sir Alexander Gibb and Partners Walchand called one of his senior executives, J P Mehta, from his post at Rangoon and appointed him Company's permanent representative at the yard Thanks to the daily deteriorating war situation, the organisers had to push along their work as best they could in the face of railway wagon shortages, difficulties in securing cement, difficulties in obtaining steel and iron goods, paucity of workers, and other impediments

As though these difficulties were not enough, on April 6, Japanese planes bombed Visakhapatnam, creating a state of panic. A British steamer loaded with ammunition and arms was crossing the Bay of Bengal, when Jap planes on patrol started in pursuit of her When her captain realized this, the man put into the Visakhapatnam creek for refuge, and entered the harbour; seeing which, the Jap planes dropped their bombs (between noon and one P.M) There was a tremendous agitation and scurrying. Nobody knew what to do. Everyone began to rush to save his life and possessions. The yard was closed "Move your machines, stores and men immediately to Bombay" came a peremptory order from the Government of India Never in all his life had Walchand faced such a tough situation. What tremendous efforts he had made, with what enthusiasm and persistence, to set up this industry! And now the hour had struck for its dissolution.

The yard had been taken possession of, and work commenced, on November 13, 1940—unlucky 13! Many people began to assert that this industry, started on that unlucky date, could never prove lucky or fruitful; they would have found it surprising if such serious difficulties had *not* cropped up! Walchand was not the man

5 Rabindranath Tagore

to bother about this kind of "lucky" and "unlucky". His was the practical mind whose only god was Effort, and which found the meaning of life in ceaseless activity. He was not the sort to clutch his head in despair, sighing "As it is written, so shall it be", and doing nothing. He believed in steeling his heart, boldly facing the stormy blast, and striding ever onward, neither pausing nor looking back. His heart grew not faint; his courage never oozed away In his philosophy, such crises were a challenge to his manhood, which he must be ever ready to accept and wrestle with He had unbounded confidence in his own positive creativity If ever he found any business of his to have failed, he would never throw the blame on his fate "It must have gone wrong", he would say, "because I didn't try hard enough"; and he would plunge again into the work with restless energy

He saw himself as not lagging behind any of those capable men around him; hence he was never open to any feeling of inferiority Whether it be with Britishers or any other foreigners, we always find him mixing on terms of equality. He would refuse to set foot anywhere where he suspected he might receive second-best treatment He kept Britishers and Americans on his payroll, and retained a boss's authority over them Never did he allow them the upper hand in his industrial organizations "Just as I keep my self-respect and deal on equal terms with foreigners," he always instructed his employees and associates, "you do the same, always keep up your position strictly." With his abundant gifts of self-confidence, courage, determination and pleasant manners, this man never bowed before either a situation or an individual

When he learned that a crushing disaster had overwhelmed his industry at Visakhapatnam, without letting it upset him or throw him off his balance, he made arrangements to shift his machines and important stores to Bombay, as directed by the Government of India, as expeditiously as possible despite the scarcity of railway wagons. Teakwood logs brought from Burma were lying in heaps in the yard and scattered over the water outside; they amounted to almost forty-five lakhs' worth of timber. To transport the whole lot of these to Bombay was impossible He rented a plot in the neighbouring village of Anakapalli, and stored them there In the same plot he got temporary huts put up and arrangements made for housing his workers and executives.

Government had issued directions that on closing down the work at Visakhapatnam, the Scindia Company should open a tem-

porary yard in Bombay near Mazagaon Dock, and do the work of repairing steamships. Actually, it was not fair to make a yard, which had been set up principally for the work of building, do repair work. It would have been perfectly possible for Government to make use—after arranging for its enlargement—of the big workshop in Bombay kept for steamship repairing, belonging to Scindia's subsidiary Bombay Steam The Scindia Company would have to suspend its steamship-building programme, put its highly paid top-grade mechanics and marine engineers on to repairing work, and keep unused, or turn over to Government for its use, the machines requested from England with other apparatus costly and difficult to come by The consequence of all this would of course be a check to the work it had planned, but would equally mean a very considerable loss Curiously enough, while fear of Japanese air attacks made Government order the shifting of the yard from Visakhapatnam, at the same time in places like Calcutta, which were in greater danger of this sort, Messrs Garden Reach and other British factories were given carte blanche to continue their business of building ships for the Navy

When that Jenkins, Secretary of the Supply Department, came to Bombay on May 20, 1942, Walchand sent his associates Mansukhlal Master and Gaganvihari Mehta to meet him and report his grievance. "All this is being done", Jenkins told them, "by order of His Majesty's Government and therefore the Government of India is not in a position to take any different view of the matter However, the situation may possibly change after some time, and it may be possible to grant you some reliefs. At any rate, today nothing can be done. Your Company will have to open its yard in Bombay for repair work, as directed by Government. Nearly 210 steamers are laid up on the Bombay coast for repairs, and they must be repaired with the utmost urgency ; it's an absolutely top priority for the Navy Department." On hearing these words of Jenkins, Walchand had to accept the situation as it offered, reminding himself that "Discretion is the better part of valour".

Within three months the Scindia Company constructed its yard at Mazagaon (Bombay), transported all its employees with their machines from Visakhapatnam, and commenced work under Government's direction. The naval and military authorities were extremely gratified at the short time in which the Company made these arrangements When Mansukhlal Master and Gaganvihari Mehta

called on Sir Guthrie Russell[6] and Admiral Turner,[7] these two exclaimed that "Scindias had really amazed them with their astonishing perfomance".

Now Master was not the man to have his head turned by these remarks; he was an apt pupil of such an apt teacher as Walchand He lost no time in declaring, "We thank you for this your commendation; but let one point be noted We have done this purely at Government's desire, in order to remove the Navy's difficulty at the earliest possible moment, without regard for trouble and personal loss If you sincerely admire our efficiency and smartness of working, tell the British Admiralty that 'Scindias have not given up their design of building steamships, but are anxious to put it into effect at the earliest possible moment Our people are not the sort who want work of whatever kind, and are satisfied with a mere profit on their capital; they have their own independent ideals Therefore. allow them to start their industry at Visakhapatnam as they originally intended. Instead of devoting their constructive powers and planning abilities to a minor job like repairs, let them get on with the major job of building steamers Give the Scindia Company permission as soon as possible, to complete the half-finished work which they left behind them'. Will you give this message to His Majesty's Admiralty ?"

To Master's face at least Sir Guthrie Russell had perforce to answer, "Yes, yes, by all means I will bring all these things to the Admiralty's attention, and positively recommend that they take a sympathetic view of you" To himself he must have thought. "These people are regular Old Men of the Sea; they won't get off Government's back until they get their own way !"

This yard remained in Bombay for three years and a half (July 1942 to March 1946) In it Government built Bassett trawlers, L C E.s, motor launches, Z craft, tugs and similar small ships, and got various kinds of repairs carried out Two thousand five hundred tons of steel, which the Scindia Company had brought out from England for building its own steamers, was asked for and taken over by Government for military purposes, with the result that the Company had to defer its own steamship-building programme Meanwhile instructions came at the end of 1942 to take some machines and engineers to Visakhapatnam, and build some small ships for Government together with steamship repairs. The yard-building

6 Director-General of Munitions Production

7 Director of Ship Repairs and Ship-building

work had been left half done. By dint of constantly keeping after Government, extorting a little here and a little there, and getting the work done bit by bit, the first stage of construction—a yard with two berths—was completed in 1947.

The steamship-building industry was dogged by such obstruction, muddle and uncertainty for six years, with great financial loss. Yet without ever losing courage, Walchand drove the ship of his enterprise steadily forward in the prevailing circumstances, and strove to make as much way as possible In appreciation of his resolute leadership, on April 19, 1943 his workers in the Bombay shipyard spontaneously honoured him and his partner Shantikumar Morarjee The speech which Walchand delivered on this occasion, with reference to his workmen, deserves notice from many angles He said:

"Seth Shantikumar and I thank you for the words in which you have described whatever little we may have achieved for the welfare of that industry with which we are all so intimately connected

"The opportunity which all of you, our brothers in work, have given us to meet you all here, has given us immense pleasure We are fully sensible of the importance of the mutual contacts which are afforded by such social occasions; and we feel confident that today's function is a clear instance of the friendly and fundamental relations which have been formed between the workers' section of the Scindia Company shipyard and the executives I am confident that the satisfaction and co-operation which arise from the bringing together of the workers' section and the executives, through such functions, will give all of us strength to accomplish those ideals which we have kept before us.

"Your awareness that the association to which you belong is in every respect a national one, is a ground for satisfaction You know of course that our policy is to promote the sort of industries in our country which are under Indian control, whose direction is in Indian hands, and whose working body also is wholly and completely Indian, and this is the goal at which we have all along been directing our efforts You are praying to the Almighty that He will grant us all the power to make a success of this new shipbuilding venture, which we have all begun, and we are confident that those prayers will bring you all the inspiration and the courage that you will need, for making a success of national industries.

"With what joy we have heard you declare that we are aware of the problems inseparable from the relations between employer and worker, and that we have solved them with a sympathy that

has won your hearts! Your appreciation of the way in which we have behaved, is in our view the master key to success in this industry, for we hold that success in any industry depends chiefly upon the contentment and co-operation of the men who work in it. I consider that it is the very great good fortune of the shipyard's executive body to have secured this sort of co-operation from the working body

"For your congratulations to me on recently completing the age of sixty, and for the good wishes which you have expressed, I offer to all of you my unbounded gratitude Your love for me makes you call me the Father of Indian Industry, but I am fully aware of how scanty are the efforts which I have been able to make for reviving Indian industry It is the keen desire of Seth Shantikumar and myself that steamships should be built in Indian plants by Indian engineers and workmen, with Indian capital and of Indian materials, and further still, that Indian officers and seamen should continue to sail them, carrying goods and passengers over the seven seas of the world. We are also well aware of how many troubles we must be ready to contend with, if this desire is to be realized

"Today's Government of India is not prepared to concede that the steamship-building industry started by an Indian plant is a national one, it is not even prepared to give us indirect assistance in setting up this industry This policy of Government has made it our supremely important duty to render all the help we can to the current effort for winning our motherland's freedom Let us pray that a truly national Government may be formed in this land of ours as early as possible, in accordance with the request of Mahatma Gandhi and other revered leaders Even though, as I said just now, the path ahead of us be steep, yet I am an optimist With the aid of far-sighted, bold and united executives, and workers giving willing co-operation, I am sure that our Indian ships shall be destined, at no distant date, to carry our country's merchandise to every corner of the earth"

Just as Walchand admitted in his above speech, it was the willing and devoted co-operation given him by his workers and employees, which had enabled him to face such endless difficulties and roll his industry's chariot ever onward.

The war in Europe ended by the close of 1944 Not so the war with Japan, which was expected to go on for another year or so However, on August 6, 1945 America dropped the Atom Bomb on Hiroshima, and Japan collapsed The political situation in Asia was

changed. In England the Churchill ministry fell, and Attlee's Labour ministry came to power. India's leaders—Gandhi, Nehru, Patel and others—were released from jail and began to discuss India's independence with British politicians In India too a fresh wind had begun to blow, and signs were apparent of a coming change in the overall situation In Walchand also sprang the hope that the inauspicious climate in the field of his industry would change, and the auspicious dawn would break right soon

In the second quarter of 1946, Walchand moved his steamship-building yard from Bombay to Visakhapatnam, and got to work with renewed zest In addition to the two former berths, he took up the construction of a third He laid down the hulls of two steamers, one on June 20 and one on August 22, 1946. The two steamers were completed in 1948 , one of them was launched on March 14, and the other on November 20

From the fifteenth of August 1947, India became completely independent and began to be governed under the leadership of Nehru and Sardar Patel Jawaharlal Nehru became India's Prime Minister, and only he, Walchand decided, must name and launch his first steamer

March 14, 1948 ! Such was the glory and importance of this date, that it should be written in letters of gold in the history of Walchand and the Scindia Company It was the day on which Jawaharlal came to Visakhapatnam to launch Scindias' first ship Visakhapatnam, that day, seemed as if ringed with lightning waves of enthusiasm, joy and pride People in their hundreds of thousands were gathered in the yard, to catch a glimpse of Jawaharlal as well as India's first steamer Outside the yard, a sea of water . inside, a sea of men

Jawaharlal formally named the steamer *Jala Usha* ("Water Dawn") and with heart full of pride sent her down the slips In his life too it was a proud day One year earlier, his own hands had grasped the tiller and sailed the ship of Free India upon the sea of Time ; today, as he launched *Jala Usha* upon the ocean, it was in his mind that Free India's message of love, peace and mutual co-operation should go out unto all the nations As she slid swishing into the sea, it seemed to him as though it were the State-Ship of Free India herself that went rocking upon the sea.

In his address of welcome, Walchand recounted his experiences in the shipping business, his difficulties and his hopes ; after which he explained how there did not appear to be that close communication and unity of purpose in the policy and conduct of Government

and businessmen, which ought to exist, and the absence of which was likely to prove detrimental from the viewpoint of the country's ultimate good Jawaharlal found this "strange" and "rather astounding". He said in his speech · "In your speech, Mr Chairman, there is a strange and rather astounding phrase used · that is about harmonious relations between the Government and industry. Is industry a rival of our Government? The Government will help industry in every way If industry does not function efficiently, the Government interferes and takes it over The Government is going to encourage industry Industry will become one hundred per cent Government if it does not function efficiently Shipping will not suffer and will go on at all costs and at every cost How it is going on is another matter Rest assured, the Government is immensely interested in encouraging this industry We are beholden to the Scindia Company for the enterprise it has shown in the past Enterprise will always be encouraged It has waged a ceaseless struggle against foreign vested interests I congratulate you again on this venture May this ship that we have launched today be the beginning of many other ships, big and small, and may they carry the message of India to all corners of the world"

The encouragement which India's Prime Minister gave, and the warm regard and high hopes which he expressed, naturally filled Walchand's heart with gladness He dared to hope that the help of a national Government would put fresh life into that shipping industry, which he had watered with his heart's blood, and that the longing of his eyes would be fulfilled The confidence arose that soon he should be favoured with the sight of his dreams come true

Now the anxious night had faded, and the dawn of hope renewed had broken. The sun of Independence was newly risen, and new spirit began pulsating through the limbs of an India benumbed for a hundred years. Walchand visualized the augury of future glory of the shipping industry

4.

THE SHIP-BUILDING INDUSTRY IS NATIONALIZED

EIGHT months after the launching of the *Jala Usha*, at 9 o'clock on the morning of November 20, 1948, the second steamer *Jala Prabha* was ceremoniously launched by wireless from the Irwin Stadium in New Delhi, at the hands of Sardar Vallabhbhai Patel It was but natural that on this occasion Sardar Vallabhbhai Patel should feel proud and happy to remember how he had opened Scindia House in Bombay ten years earlier, and to see how the picture which he had then held before himself and the assembled company, of a bright future for shipping, had come to life He said "Ten years ago, it might have been characterised a rash prophecy to say that Indian ships of modern types and sizes would be built in Indian shipyards Today, thanks to the enterprise of Scindias, we are fortunate in seeing the second ship built at Visakhapatnam go down the slipway Our shipping industry is still in its infancy The geographical position and features of India make it inevitable for India to have a shipping industry up to its requirements and to have a strong navy to guard its long coast line Just as civil aviation is the foundation of air power, mercantile shipping constitutes the backbone of a navy Without the backing of a mercantile shipping, a Navy of reasonable dimensions is impossible

"It is for this reason that the Government have recognised ship-building as an industry of great national importance and under the policy announced in April last, the Government themselves propose to undertake new construction. At the same time Government recognise that existing undertakings have to be helped to expand and develop in accordance with a well-considered and carefully chalked out plan They are also aware of the expansion plans under which Scindias envisage the creation of a modern shipbuilding yard with six to eight berths together with workshops for the manufacture of engines and boilers.

"We also realize the difficulties, financial and otherwise, which necessitate the assistance and co-operation of Government if this expansion is to materialize Shri Walchandbhai had also referred to the assistance which other countries are offering to their own indigenous shipping industry I can assure him that we are alive to all this and will consider his proposals in this regard with the greatest sympathy and expedition. I hope he will regard this assurance as adequate for the time being, and recognize that, in the light of what I have said above, the interests of the shipping industry and its future are safe in the hands of Government"

After this function, at night, the Scindia Company showed its guests a film depicting the story of the efforts made for developing the shipping business over two and a half decades, at the Imperial Hotel This was followed by a sumptuous feast.

The *Jala Usha* and the *Jala Prabha* were each of 8000 tons (dead weight) and had cost ninety lakhs of rupees The steel used for both of them was Indian, supplied by the Tata Company In England these same ships would have cost no more than seventy lakhs, but the rising cost of steel and machinery, and the limited production of steamships, accounted for an additional twenty lakhs Moreover, due to the intervention of a three-month strike—July to October—in 1947 among the yard's workmen, and to the failure of machines and necessary materials to arrive in time, the completion of the steamers was considerably delayed. The *Jala Usha* was completed in 28 months, and the *Jala Prabha* in 31 In foreign plants they would have been built in a shorter time Be this as it may, their construction at any rate was excellent In Lloyd's Register of Shipping they obtained + 100 A 1 rating, which was no mean achievement for India's first attempt

Directly after these, two more steamers (after constructing a third berth) were taken up for building, and a programme was chalked out for building a further six Of the above-mentioned two steamers, one was the *Jala Prakash* and the other the *Jala Pankhi*, both were completed in 1949, in less time than their predecessors The Scindia Company got the *Jala Pankhi* launched on December 6, 1949 by Walchand, who had retired from the Scindia Company's affairs about this time owing to indifferent health His speech on this occasion was a sort of synopsis of his thirty years' sway over the field of shipping, and his experiences both happy and unhappy Only if Government should raise the tonnage of India's Mercantile

Marine to two million,[1] he declared, would the vast sums of Indian money on account of transport, which now went to foreign countries, be retained in India and be available for her rapid industrial expansion This tonnage, according to Government's expectation, would be increased annually by one and a half lakhs. To increase India's tonnage at this rate, a way must be found to step up the building of ships beyond the normal According to the Scindia Company's initial scheme of constructing eight berths, building eight steamers a year ranging from 8000 to 14000 tons, and making arrangements to assemble their engines and boilers on the spot, it would somehow or other have just managed to achieve Government's expected tonnage, within the space of ten to twelve years. But to raise the requisite capital of some ten crores on its own responsibility, the Scindia Company would find extremely difficult. A few days previously, in order to maintain its overseas freightage, and to buy replacements for steamers sunk or damaged in the War, it had been compelled to raise five crores of rupees through mortgage debentures It was this state of affairs which made Walchand demand, in this speech of his, that either Government should come forward with massive financial assistance for the Scindia Company, or it should enter into partnership with the Company and agree to form an independent company to run the shipyard He further declared in forthright terms

"A little more than two years have passed since we attained independence Two years is perhaps nothing in the long history of a nation But they mean a very great deal to a man on the eve of his retirement They loom large on his horizon Such a man is an impatient man, all the more so, when he sees that his dreams are almost within reach and that something seems to hold them back But I know that my personal patience or impatience is of little account I merely mention it to explain a sense of disappointment that I feel, at the painfully slow pace at which progress is being made I would, however, try to keep my personal feelings out of the picture I would try to paint the picture of the position of this organization from another angle

"I have already told you that we do not and did never in the past, look upon this institution merely as a money making machine We look upon it as a national institution It must be kept going and for further development and progress should earn reasonable profits for the investors To this it must have enough blood and

1 At this juncture, the Indian Marine's total tonnage was around 300,000

breath. It is no secret, that a lot of its blood has been drained, by circumstances far beyond its control or capacity. Its breath is laboured, for the same reasons

"While we are maintaining faith in our Government's intentions to give us much needed financial help, we are still hoping for the best, what I would like to point out to them is, that time is a very important factor in this matter. In a hospital where a patient is being kept on oxygen, the physicians and surgeons do not go into long conferences, however helpful they might be, in arriving at the correct scientific remedy To be of any use to the patient in question, the remedy has to be quick and effective

"Friends, the Scindia management has often been blamed for many acts of omission and commission, but it is not realized by our kind critics, that so far in this country, shipping and shipbuilding industries have struggled to exist without any direct financial assistance from the Government In no country have these industries stabilized or flourished, without substantial financial aids from their Governments While Steel, Textiles, Sugar and so many other industries in India, have been fortunate in obtaining direct or indirect help to the tune of crores of rupees, shipping and shipbuilding industries which are more vulnerable from outside attacks, have remained in the unfortunate position, of not getting state aid required for their very existence.

"On the 14th of March 1948, on the occasion of the launching of the very first ship in this yard—*Jala Usha*—by our Prime Minister, we had taken the opportunity of representing our difficulties to him As you are aware, he was kind enough to assure us that the Government was intimately interested in encouraging the industry and had said that shipbuilding will go on at all costs Subsequently, when the Hon'ble Sardar Vallabhbhai Patel launched the *Jala Prabha* in November 1948 and I repeated our difficulties, he was good enough to say 'I can assure Mr Walchand that we are alive to all this and will consider his proposals in this regard with the greatest sympathy and expedition. I hope he will regard this assurance as adequate for the time being and recognize that, in the light of what I have said above, the interests of the shipping industry and its future are safe in the hands of Government.'

"With such assurances from the Prime Minister and the Deputy Prime Minister, it will not be right on our part to entertain anxiety with regard to this organization and the shipping or shipbuilding industries Personally, I feel that Scindias have done all that was

in their power to do We now fervently hope that suitable decisions will be taken regarding this shipyard and other matters connected with shipping, by them without further delay"

Since 1948, Walchand had been making attempts to induce limited company be set up, to be called the Indian Ship-building industry He had prepared an extensive scheme, suggesting that a Government to take a direct personal share in the ship-building Corporation, with an authorized capital of fifteen crores of rupees; that its fully paid-up capital be ten crores, of which Government would hold 49%, the Scindia Company 26% and the general public 25%, provided that in case no subscription were to be accepted from the public, Government's share should be 74%; and that the Scindia Company be given the Managing Agency of the Corporation. When the then Cabinet Minister for Industries and Supplies Dr. Shyama Prasad Mukherjee, visited Visakhapatnam on January 1, 1948, Walchand got one of his assistants, Sanmukhlal Pandya, to submit this scheme to the Minister, after showing him the yard Along with this scheme, he also supplied information supported by figures to show in how many ways Great Britain, Italy, France, the U S A, Japan and Germany were assisting their fellows for ship transport and shipbuilding A copy of this was sent to C H Bhabha, Commerce Minister (January 26, 1948) with a request that he too would minutely study it, and give his views as to the road to be followed, from the viewpoint of running the shipbuilding yard efficiently and properly, in order that it might show a profitable result.[2] At the same time he also suggested that Government should use its influence with Indian ship-owners, the Royal Indian Navy, and the Port Trust, to get them to have all their requirements of vessels, great or small, built only in the yard, and thus endeavour to afford some indirect assistance to the ship-building industry. Walchand also explained the whole situation to Prime Minister Jawaharlal Nehru and Deputy Prime Minister Sardar Vallabhbhai Patel, and

[2] In his letter of reply (January 29, 1948) Bhabha wrote "You are fully aware of both my personal views and the views of Government about the development of shipping and shipbuilding I may once again assure you that we shall leave no stone unturned to see that our shipping takes a rightful place very soon in our Trade and Commerce"

The Communications Minister Dr John Mathai also visited Visakhapatnam, when he eulogized the yard to Haji The latter, writing to Pandya, says "The Hon'ble Dr Mathai in course of a conversation told me that recently he had been to see the Vizag Ship-building Yard and found it an achievement of whose proportions he had no idea until he saw it He felt that it was something of which India can be proud and he was prepared to do anything he can for its development"

Similarly to Dr Mathai, N V (alias Kakasaheb) Gadgil, Minister of Works, Mines and Power, Admiral Hall, and Admiral Perry expressed their satisfaction with the yard in glowing terms

pursued his efforts to persuade them to adopt prompt measures of the kind required for giving the industry strength and stability, and permitting its rapid expansion.

Before considering Walchand's new scheme, the Indian Government decided to take the opinion of Indian experts and experienced parties on the question of expanding the ship-building industry, and appointed a "Development Committee of Ship-building Industry" under the Chairmanship of the Director-General of Industries and Supplies, Dr J. C Ghosh Senior Government officials concerned with shipping, and a few leading businessmen, were taken on as members of this Committee On behalf of the Scindia Company were appointed its Deputy Manager Pandya and the then Chief Manager of the yard at Visakhapatnam, one James Campbell. The Committee held its first sitting on July 29, 1948 in New Delhi At this sitting, the first item was the consideration of the recommendations contained in the Report[3] submitted (1947) by Sir B Rama Rao on behalf of Government's temporarily created Shipbuilding and Marine Engineering Panel Sir B Rama Rao had suggested that, in order to meet India's current vital needs, arrangements should be made to build sufficient steamers as quickly as possible to raise the tonnage to seven lakhs and a half, after calling top-grade nautical engineers from Europe or America, and doing the work under their direction.

After discussing this suggestion, it was recommended that "two or three nautical engineers should be called from the United Kingdom and the United States, who should be asked to investigate the possibility of opening yards in one or two other places besides Visakhapatnam and starting the business of building steamers there, that the advice of these should be taken as to the extent to which the yard at Visakhapatnam could be expanded; and that one of these experts should be a man with first-class knowledge of constructing propelling machines, boilers, and other auxiliary apparatus of the like nature" After this, Pandya was requested to acquaint the members of the difficulties Scindia Steam Navigation Co were ex-

3 In this Report of his, Sir B Rama Rao had expressed his views upon the Scindia Company's shipyard, and offered his recommendations, as follows

"The Scindia Shipyard at Visakhapatnam has been constructed in spite of formidable difficulties and the Company has shown great courage and enterprise in undertaking a venture of this sort If this Company failed through lack of adequate Government assistance, financial and otherwise, the development of shipbuilding in India for many years would be seriously impeded I, therefore, consider that this Company should be given every assistance and encouragement for the early completion of their yard at Visakhapatnam and adequate financial and expert assistance for building ships"

periencing and how they expected the Government to help them by way of subsidy or other financial assistance. After narrating in brief the difficulties that the Scindia Company had to face since 1940 to bring the Vizag (Visakhapatnam) Shipyard to its present position owing to shortage of materials and trained personnel, Pandya expressed the view that his firm wanted that the shipbuilding yard should be taken up by the Government, as the Government might ultimately take up this concern after ten years. Moreover, he considered that in view of the existing difficulties shipbuilding was not likely to be a paying proposition for private industry for considerable time. To this the Chairman asked, 'What was the next best proposal they could expect from the Government and whether they were ready to accept subsidy on every ton of shipping produced by them Pandya replied that 'in the conditions existing in the country only subsidy on output basis as suggested by the Chairman will not be enough. It will be necessary for the Government to guarantee minimum return on capital invested'."

Pandya's above remarks were discussed by the members at considerable length Their conclusion was that the Government should not at this stage take over the undertaking of Scindia Company, but should render it all possible assistance [4]

As suggested by the Development Committee of Shipbuilding Industry, the Industries and Supplies Minister, Dr Shyama Prasad Mukherjee, called some nautical engineers from France[5] at the beginning of 1949, and got them to make a thorough inspection of Scindias' steamship-building yard and workshop at Visakhapatnam.

4 This opinion must have been expressed in the light of the Scindia Company's suggestion to the Industries Minister, namely, "Taking into consideration Government's policy of early nationalizing of such industries as that of shipbuildining it is desiraple that Government should purchase our steamship-building yard and manage it as soon as possible "

In this connection the Scindia Company had made the following suggestions to the Honourable Minister

(a) The Government should purchase the Vizag Shipyard at its original cost although in today s market its price will be very much more
(b) Government may, if they so desired, appoint Scindia Company as Managers and pay remuneration on production basis
(c) In view of the shortage of steel and other materials the Government should adopt a five-year plan and go on adding one berth every year with a view not to break the continuity of civil engineering work It will take about three years to acquire the site selected by experts at Vizag for Engine and Boiler building shops At least three years will be required for planning and equipping these shops

5 Although the Development Committee had recommended calling nautical engineers from Britain and America, Dr Shyama Prasad's rejection of this in favour of calling French engineers must have been deliberate He probably thought that since America and Britain had interests which were peculiarly bound up with India's foreign shipping, they might conceivably fail to express an impartial view

These French nautical engineers submitted a lengthy report, expressing a favourable opinion, to Dr Shyama Prasad on May 30, 1949. They included several important suggestions for the future expansion of the yard and workshop As soon as he got a copy of this report, Walchand had it conscientiously examined by his Bombay and Visakhapatnam experts, and on receiving their comments, he redoubled his discussions with Government about the yard and workshop These went on for well-nigh two years. Meanwhile some anxiety began to be felt lest their breakdown might quite possibly involve the closing of the yard However, thanks to Sardar Patel's firm stand, such an occasion did not arise N V Gadgil also made considerable selfless and determined personal efforts to ensure the discussions' success In this affair he voluntarily constituted himself, as it were, Walchand's attorney. Walchand paid frequent tribute to the help he had received from Vallabhbhai and Gadgil

With the Scindia Company's co-operation, Government formed a separate private company with a capital of ten crores, known as Hindustan Shipyard Limited, and on March 1, 1952 entrusted it with the shipbuilding industry at Visakhapatnam Government kept a share in this Company for the Scindia Company, along with its own, and arranged for three representatives of Scindias on the Managing Board. Government reserved to itself the power to appoint the Board's Executive Chairman, Managing Director, and other directors

Up to the time of handing over its yard at Visakhapatnam to the Hindustan Shipyard Company, the Scindia Company had built eight steamers each of 8000 tons, and had demonstrated its achievement of what had been pronounced "never possible" This was the fruit of a decade of stern self-denial, the enjoyment of which it refused to keep for itself, preferring to present it to the nation It was a self-reliant industry of national importance, reared on solid foundations, which they thus gave to the nation The satisfaction of a father who sees the son, whom he has nurtured and brought up dearer than life, finding ample scope for showing his gifts and his capacity—such was the satisfaction which Walchand felt, that day

5.

SEA TRANSPROT IS JOINED BY AIR TRANSPORT

IT was Walchand's ambition that along with its sea transport and ship-building business, the Scindia Company should partake of the aircraft-building and air transport business, thus enabling India to take her place at the side of the other advanced nations of the world. But thanks to absence of the long view and to an unenterprising spirit in certain shareholders, this ambition waited in vain for an opportunity of realization Aircraft-building he had managed to start with the aid of Dharamsey Khatau, Tulsidas Kilachand, and other friends who had unbounded confidence in their own courage and Walchand's capability , and by securing the help and co-operation of Government and the nation's leaders, he had set its feet on the right path Even though it would not henceforth be under his management, nevertheless, since Government had taken it over, it would acquire stability and positively go from strength to strength. Its expansion would inevitably mean the expansion of the country's resources both in finance and in mechanical knowledge. This filled Walchand with complete satisfaction

Despite having handed over his aircraft-building industry to Government, the design of starting an air transport business had not left his mind He was fully satisfied that a country's economic growth would develop, and stand up to the competition of domestic and world commerce, in proportion to the extent, variety and accessibility of its routes of communication ; and therefore his mind was constantly musing upon this subject

Now and again something unexpected would turn up, and become responsible for giving a strong push to ideas revolving in his mind. Such a thing occurred in 1943. One day, he was going through the April issue of the journal of the London Chamber of Commerce, when his eye fell upon an article headed "The Future of the Transport Industry" He read it through with great interest

The writer said: "Transport is an industry, whose urgent and critical importance in the war effort allows little change of forgetting Mr. Churchill's exhortation 'not to take your eye off the ball, even for a moment' The best way to defeating the U-boat threat, or of securing the means for maximum impact on the enemy as soon as possible, of providing most efficiently the aircraft of all kinds demanded by the strategy of the United Nations—these considerations must dictate present policy, and future interest must not interfere with them In fact, the lines of development made necessary by war will create difficult and complicated problems in the post-war period, particularly in the sphere of commercial aviation, and it is not surprising that a good deal of thought is being given to these questions.

"The manufacture of aircraft is today considerably the largest industry in Britain, it can fairly claim to be at least as efficient as any in the world, and its products have abundantly proved their quality against the enemy But the pressure of circumstances has forced it mainly to concentrate on fighters and bombers, leaving generally to American factories the building of the transport machines whose essential part in modern war is increasingly realized Considering the dislocation that would be caused to our production, the experience already gained by the United States in this class of construction, and the fact that transport planes can be delivered across the Atlantic under their own power, it seems exceedingly unlikely that the effective planning of United Nations' output can include any major changeover for the British aircraft industry to the manufacture of the type of machines that will serve the needs of the postwar world The necessity for this is accepted, but it will be well to appreciate that at the end of the war the United States will inevitably possess the bulk of the Allies' productive capacity for transport aircraft The position will be somewhat similar in merchant shipping, though not to the same extent In the leading article on this subject inspired by the formation of the Air Transport Command, *The Times* referred to Mr Wallace's statement that his country did not want 'imperialistic American supremacy in the air and on the seas', and urged that there is every reason why Britain with her worldwide communications should take the initiative in opening negotiations with the other major powers in the United Nations.

"That view will find wide support among those in Britain who have studied the position and who appreciate how vitally important

transport must be to the British Commonwealth. The General Council of British Shipping in its report on the future of the industry, under the title 'Freedom and Efficiency', makes the point that Britain must not be afraid to say to her allies that a strong mercantile marine is as necessary to her as her Army, Navy and Air Forces; and the same body, in a recent statement on the future relations between sea and air, foresees that the maintenance of British oversea trade will call for a balanced fleet composed of airborne and seaborne vehicles, of which the former will assume some of the functions of regular express services The Air Transport Command may have an important bearing on civil flying after the war by stimulating the design and consideration of transport machines, but in the present circumstances it is desirable also that an agreement in general terms at least should be sought with the other United Nations as soon as the exigencies of war permit

"In this connection it is also important to appreciate as clearly as possible the many complex problems that will face the organization of world air routes in the future This is a new field, or at any rate a field so changed by technical advances and developments as to require a fresh approach The Joint Air Transport Committee which represents the Association of British Chambers of Commerce, the Federation of British Industries, and the London Chamber of Commerce is seeking to increase knowledge of the position by the publication of a series of 'Air Transport Facts', and the first of these statements deals with the freedom of the air Before accepting this as desirable and practicable, it points out, it is necessary to establish exactly what it means, for in its widest sense it comprises three clear-cut aspects freedom of air passage, freedom of air facilities, and freedom of air trade That offers a good example of the need for careful consideration of these matters in advance of any engagements

"Sea and air transport have received particular attention because they are international in their range and because their future relationship involves new factors, but it must be remembered that they are related also to international transport and that the problems of the function and place of rail, road and canals is hardly less important The chairmen of the railways have taken the opportunity afforded by recent annual meetings to express their views on such matters as private enterprise and the ownership of the lines, which are doing such a big war job, road transport is considering the unification of its organizations into a National Road Transport Federation, with constituent bodies representing hauliers, ancillary

users and owners of passenger vehicles; and the organization of the canals to serve the nation in war may help to ensure that they are used to the best advantage in peace

"In all the different statements by those operating transport there is agreement on at least one point—that adequate opportunity must be left for private enterprise The opinion of users—the business community and the general public—has not so far found explicit expression, though it may be hazarded that businessmen will not quarrel with the principle of as much room as possible for initiative A sub-committee of the Transportation Committee of the London Chamber incidentally is at present considering a report on the whole question It is equally clear, however, that a wholly unregulated scramble for traffic between the different forms of transport is unthinkable, and in any case impossible, when restrictions and obligations of various kinds are already imposed on some A measure at least of direction is inevitable problem if transport is to serve co-ordination and development in the public interest alongside the greatest possible measure of freedom from restrictive and bureaucratic control"

A few days after the reading of this article, the *Times of India* came out with a leader (May 29, 1943) headed "Civil Aviation" This contained the words. "Government must ensure that India is not by-passed and that more advanced countries are not allowed to establish themselves in this country to the detriment of national enterprise" After seeing this Anglo-Indian pro-British newspaper taking India's side and giving this hint to Government, and after reading the article in the journal of the London Chamber of Commerce, Walchand began to suspect that something must be in the wind, in Britain and elsewhere, regarding the future of this industry With his ever watchful mind on business matters, he was eager to learn more about what was getting off the ground in Britain as regards air transport He wrote to the Scindia Company's London representative Erulkar, and the head of the Calcutta office Gaganvihari Mehta, that they should keep him informed from time to time as to what was going on in this connection, both in England and in India Erulkar and Mehta began to do this

In Britain, commercial and industrial organizations, as well as municipal, began lengthy debates upon civil air transport; and in Parliament too questions were asked and pronouncements made A committee like the Lamplugh Committee, which had been formed to conduct an independent enquiry, gave a warning that, "British civil

airlines may be forced to use American aircraft for some years after the war, unless the Government takes action immediately for the design and production of up-to-date passenger and freight craft". While the need for concentration of war aircraft was admitted to be the first necessity, it was urged that no time should be lost in diverting a small part of British energies to civil design. As a beginning, the Committee suggested that, since air transport must play a large part in the Pacific war, work should be started on immediately for transport aircraft for use by the R. A. F In the words of Group Captain Holmore, it said that, "In future we must be not only a great sea-faring race but a great airfaring race" *The London Times*, *Financial News*, *Morning Post* and similar influential newspapers wrote upon this subject and published popular views, and gave the movement a powerful impetus This obliged the Government to clarify its stand in Parliament One Sir Archibald Sinclair, Secretary of State for Air, announced that "It will clearly be the duty of this country both from our own and an international point of view, to play a prominent part in the production and operation of civil aircraft"

Some days later, Walchand read in Calcutta's *Morning News* (June 4, 1943) that British steamship firms were thinking of starting air transport in addition to sea transport[1] On reading this, Walchand began to think that, for the expansion and profit of its transport business, the Scindia Company in its turn ought to shape its course upon a consideration of this new policy of the British shipping interests, otherwise, it might get left behind in tomorrow's competition, if not some day totally ruined He placed his views to this effect before the directors, and showed them the necessity of promptly preparing to face future eventualities At the same time he himself began to take thought as to the course and direction which he should henceforth follow

In June (1943) he sent a letter to the then Secretary of the Posts and Air Department of the Government of India, Sir Gurunath Bewoor, in which he mentioned the *Times of India*'s leading article He asked whether Government was giving any thought to the policy and system upon which civil air transport should be conducted in

1 "British shipping companies which have previously been engaged in coastal liner trade and in continental trade have agreed to form a separate company to operate passenger and cargo air services over internal and continental routes The intention is to put this plan into operation as soon as necessary consent and plans can be obtained The capital of the new company will be subscribed by various shipping and other transport interests"

the post-War period, or to the sort of relations which India should maintain with Empire and non-Empire countries as regards freedom of movement Having heard that the Imperial Government was thinking of very shortly convening a conference of representatives of all the Colonies to consider this matter, he asked whether in that event Government was taking any steps to see that India should obtain adequate representation, and that her case should be presented with care Along with these and other questions, he further explained why he was interesting himself in the affair [2]

On receipt of Walchand's letter, Sir Gurunath Bewoor replied that if Walchand or his representative would call upon him, there would be an opportunity to talk over the points raised in his letter. Walchand thereupon despatched Mansukhlal Master to Delhi, to call upon him. He had already (June 29, 1943) been sent a lengthy memorandum on this subject from the Federation of Indian Chambers of Commerce and Industry, the organ of the Indian merchants and industrialists. This memorandum set out in clear language the viewpoint and expectations of persons in India's industries Mansukhlal Master further clarified the position taken up therein, when he called on Sir Gurunath on July 2; he also tried to get

2 In order to show clearly what was going on in Walchand's mind at this time with regard to air transport some selected passages from this letter are here appended

"I have been following with considerable interest, not unmixed with anxiety, press reports of proposals regarding the development of an Empire aviation policy after the war, and I am wondering what place India is expected to occupy in the scheme of things I strongly feel that the Government of India must vigorously press forward the Indian viewpoint before His Majesty's Government in respect of post-war air development and must see that on no account India's vital interests are jeopardised or sacrificed on the plea of an Imperial air policy as they have been hitherto, both in respect of air and sea We cannot forget how the interests of India's aviation were subordinated to those of the British Overseas Airways (or the Imperial Airways as it was then called) before this war in agreements concluded regarding aviation across India The Government should, in my opinion, insist that internal air services should be under the control, ownership and management of Indians and that India should have an adequate place in inter-imperial and International air services I write this letter, however, also with a more specific object in order to let you know that I am myself interested in developing such air services as are possible after the war You are no doubt, aware that the question of co-ordinating shipping services with air transport is actively engaging the attention of British shipowners Relative modifications have been made or are being made in the Memorandum and Articles of Association of important British shipping companies Similar alterations are also proposed to be made by a British-owned shipping company registered in India I am connected with the leading shipping concerns who also propose to make similar changes in their Memorandum in order to enable them to go in for air transport in future I have, however, to point out that we shall expect the Government of India to licence and subsidise only Indian companies As proposals for development of internal air services might be under the consideration of the Government of India from now onwards, I am writing this in order to let you know that the group of Indian shipping companies with which I am connected intend to develop internal air transport and participate in inter-imperial and international aviation services"

from him a statement of the Government of India's position. The general tenor of Sir Gurunath's observations seemed to be that, for the time being, it would be advisable for Indians to endeavour to secure complete control of domestic air transport A beginning could be made, he suggested, with the Bombay-Madras, Bombay-Delhi-Kanpur, Bombay-Calcutta, Bombay-Karachi, Karachi-Delhi, Calcutta-Colombo, and many similar routes "But for this," he said, "you must have organizations capable of efficiently carrying on such transport, and men of experience and authority capable of running them You will have to engage first-class pilots, technicians and mechanics, ground engineers, and experienced and competent traffic managers Such people are not found in this country today You, Mr Walchand, will therefore have to retain the services of some retired Air Marshall, and get your organization established through him. Today it is not possible to say whether financial help for this industry will be forthcoming from Government, or not But if efforts are made on the right lines, it will be possible to get the mail-carrying work What policy Government will pursue towards this air transport industry, it is, for the present at least, difficult to say. The Post-War Reconstruction Committee, already appointed by Government, has advised the Director of Civil Aviation to prepare a scheme in this regard When its report is received, Government will decide what should be its policy " Such was the general effect of Sir Gurunath's remarks

At the time when Walchand was thinking of adding air transport to the Scindia Company's sea transport, there were four air lines operating in India ; three were Indian—Tata Air Lines, Air Services of India and Indian National Airways—and one was foreign—British Overseas Airways Corporation (BOAC) In addition, Trans-Continental Airways[3] was plying between India and Europe One of these companies, Air Services of India, was almost at the point of closure The famous airman Kabali had founded this company in September 1936, after winning the sympathy and help of Lord Ronaldshay and the Jam Saheb of Nawanagar, and got it beginning to function in March 1937 It covered the Bombay-Kathiawar, Bombay-Kolhapur and Baroda-Kathiawar-Amreli routes It had an authorized capital of ten lakhs, with a fully paid-up capital of Rs 4,90,000/- It received regular financial assistance from the States of Jamnagar, Porbandar, Bhavnagar, Kolhapur and Baroda It carried mail,

3 The capital of Trans-Continental Airways was owned 51% by the BOAC, 24% by Indian National Airways, and 25% by the Government of India

passengers and goods. On May 14, it established a technical school at Jamnagar for imparting aeronautical training—particularly in ground engineering—which was run by special financial grants from the Jam Saheb and Government Along with young Indians (chiefly those selected by Government for the Air Force) young Burmese and Ceylonese were also given training Afterwards, in the peculiar War situation, the line terminated its air transport in October 1940 and confined itself to conducting the technical school Having agreed with Walchand upon the necessity of adding air transport to its sea transport, the Scindia Company resolved, instead of forming a fresh company, to obtain control of this particular line and manage it. Accordingly, having secured the Jam Saheb's help, and purchased all the shares of its Managing Agents Kabali & Company, in July 1943 Scindias took over the line's affairs Government retained control of the technical school In order to train the pilots and ground engineers required for the Air Force, and instil military discipline into them, Government felt it desirable to keep the school subject to its own orders

On the acquisition of Air Services of India by the Scindia Company, the old Board of Directors made way for a new one, of which Walchand was made Chairman He was now saddled with two responsibilities The first was maintaining the line's transport as it used to be; the second was reserving air transport within India for one hundred per cent Indian lines, with Indian capital, Indian managers and Indian pilots, while at the same time keeping up his efforts to make Government stay alert, in its agreements with various countries in the sphere of international communications, to win for India equal rights of movement outside India Remembering his bitter experiences of the Government of India, not only in the matter of maritime transport but also of building ships, planes and motor-cars, he resolved to remain vigilant, as regards air transport, from the start. He was aware that here again he would encounter his previous experiences; yet he believed that only by constant pricks of the goad would the indolent Government of India elephant move even a few slow paces

A few months earlier, a certain Lord Londonderry (the fellow had once been Britain's Minister for Air) had contributed an article to the *Sunday Chronicle* of London, on the policy which Britain ought to follow for the air transport of tomorrow, in which he had made four suggestions, the adoption of two of which would preclude the Indian aircraft industry from all hope of expansion He had

suggested that Government should appoint an Imperial Air Council, which should be given the control and entrusted with the sole management of all air transport within the Empire, and that as regards the handling of air transport and developing of air fleets, help should be taken from the experts of the British shipping companies, in view of their notable experience of handling transport. Reading these proposals, Walchand could not help feeling that they would prove totally destructive of India's welfare. Well did he recognize the tricks of the selfish imperialist businessmen. He clearly saw that if these were not defeated in good time, the fate which had overtaken Indian sea transport could not fail, at some future date, to overtake air transport

In July 1943 a meeting of the Heads of sixteen leading air lines was held in Washington, which found no room for the Head of any Indian air line The plan adopted at this meeting for spreading a net of air routes all over the world confirmed Walchand's above conclusion The meeting had expressed the view that in all those countries where America had built air strips, she should have the right to use them and retain the liberty to carry on air transport. On reading this, Walchand got K C Niyogi to ask questions in the Central Legislature A reply was given on behalf of Government by Sir Gurunath Bewoor that, "All I can say is that I am not in a position to answer the question whether there are any Air Ports constructed in India at the cost of the United States Government, that question should be addressed to the War Department The whole question of post-war transport is under the examination of Government The particular declaration referred to does not appear however to have any bearing on India's internal air services" Walchand also got Pandit Hridaynath Kunzru to put questions in the Council of State about what would be Government's policy on air transport routes, both internal and international He received a reply from a Member of the Viceroy's Executive Council, Sir Mahomed Usman, that "In accordance with the scheme of 1935, internal air transport within India will be handed over wholly and exclusively to Indian lines As for transport in other foreign countries, it has been decided that those countries whose air lines have been given permission to bring their passengers and goods into India, should retain their transport rights, either in association with British Commonwealth lines or independently. Government has reserved the power to grant or refuse landing facilities in India to foreign lines. Government has taken cognizance of public opinion

regarding the air industry, and a meeting of the Policy Committee on Reconstruction of Communication will very shortly be held in the coming month of January 1944 at which these questions will be considered Invitations to attend this meeting will include not only the concerned officials but also public leaders as well as leaders in the commercial, industrial and economic field from every Province "

While on the one hand Sir Mahomed Usman did mention Government's intention to invite representatives of the public to this meeting, which was to be held for considering air transport in India, on the other hand he said not one word about whether Government was ready or no to accept Walchand's suggestion, to invite representatives from the Indian States connected with commerce, industry and finance along with official representatives, to that important meeting of the Empire Air Conference, due to be called in England for considering the same subject on the international level In view of this, Walchand immediately persuaded the Indian Merchants' Chamber to record its protest in the matter He further obtained an emphatic declaration that before India entered into any international agreements upon transport, it was positively essential to consult Indian leaders connected with industry, commerce and finance

He also got an independent discussion of those points started in the Indian Press [4] He knew that only the application of the strong pressure of public opinion would keep Government on the right track. It was with this in mind that Walchand started a furious campaign, in 1943-44, to provoke debates and discussions upon questions of air transport in the Press and Supreme Legislature He

4 The Empire Air Conference was held in London in October 1943 However, deaf to all criticism the Government of India did not send a single non-official representative to it In view of this, while presenting his address as Executive Chairman to the annual meeting of Air Services in India in the following year (August 1944) Walchand took Government severely to task in the following terms

"A graver problem than the political one is the part which India will be allowed to play and the rights which she will be allowed to exercise at International Conferences where the fate of the industry of civil aviation, both national and international, of the different countries of the world is going to be decided Unless non-official Indians enjoying the confidence of the country are allowed to voice the feelings, aspirations and demand, of national India at such International gatherings, history is bound to repeat itself and India is bound to remain as before the Cinderella of aviation amongst the nations of the world It is needless to add that the Government of India constituted as they are at present cannot represent the aspirations of her people at such International gatherings and it is therefore of supreme importance that we should continue to fight and fight ceaselessly till our just demand is granted and the non-official Indians are allowed to participate as equal members along with the present Government of India for safeguarding and securing India's rights at such International meetings Even as a matter of elementary justice, this is the least that Government owes to this country "

engaged a journalist named Salivateeswaran on a special assignment for this activity. The business of instigating debates and discussions in the legislature and commercial associations, and of meeting officials from time to time and getting their final decisions on all new questions cropping up in this context, he entrusted to Master and Gaganvihari Mehta. To all official, semi-official and commercial association meetings in connection with the air industry, he would obtain invitations for these two and make them mouthpieces for his view. Walchand kept up a running propaganda fight on these lines. It could not fail to have its effect, in some degree or other, on Government He began to think of formulating a scheme for flights covering 10,500 miles daily to all corners of India.

A certain individual had formally been in Government of India service, and had for a while headed the Hindustan Aircraft Company at Bangalore, this was Air Marshall Sir J. F. A Higgins, who had recently retired Walchand took him on as his adviser, got him to reorganise Air Services of India, and formulated his plans for further action He entrusted this person with the work of approaching the Government of India's Air Department or the Air Command, and carrying into effect the plan decided upon He appointed a Major Mayo of London, an expert in aeronautical science, as his adviser in Britain, and a Bengali gentleman named P. K Ghosh, with experience of working with Imperial Airways, the Bristol Aeroplane Company, British Airways, and other companies, as his Ground Engineer With the help of these three, Walchand took off on his new activity

When Air Services of India came under the Scindia Company's control, it possessed two machines—an Airspeed Courier VT-AFY and a Fox Moth VT-AJW The former was quite unserviceable; the latter could be made airworthy after repairs, but its seating capacity was limited to the pilot and four passengers One good machine, which the Company previously owned, had been sold to the Tata Company[5] However, at a place called Chela close to Jamnagar, the

5 Before Walchand commenced his talks with the Directors of Air Services of India about taking it over, the A S I Directors had approached Tatas for taking over the Company, but the latter had declined, agreeing only to purchase one of their machines, which was in good condition Walchand was not aware of this transaction which he learned about afterwards from J R D Tata In a letter to Walchand (December 21, 1943) Tata wrote

"You state that Air Services of India had to suspend operations only because they could not secure the necessary equipment for maintaining their runs That is not correct They had enough equipment to carry on, and, at the time they stopped operations, spares were available The cessation of their operations was entirely based on financial considerations, which were freely admitted to us by the Directors of the

Jam Saheb had built an airport, which was in good order and fully equipped with machine stores and other material. The Company having closed down from 1940, was without pilots and other incidental staff. Its Chief Pilot, P M Kabali, was under Government detention on political grounds There was no one in the Company's office save one ordinary grade clerk This being the overall situation, it was going to be necessary to rebuild the entire organization right from the very first brick.

The War had reached a peak of fury At that time, it was impossible to form any estimate of how long it would last. Government had assumed control over all factories useful to the War, along with steamers, planes and motor vehicles Civilian needs were met only where possible after meeting the needs of War. The same held good with regard to aircraft also[6] Air-India and Indian National Airways planes were being very extensively employed for Government of India business With ample aid from Government in cash and material, both companies were actually showing a profit Air Services of India would have been able to show a similar profit, but since for many reasons Government had become uneasy about its Pilot Kabali and his assistants, it was unable to do so; on the contrary, it reached the stage of having to pack up its traps

After the Scindia Company took over that airline, Mansukhlal Master had gone one day to call on Sir Gurunath Bewoor, who then clearly told him that in case Kabali was to continue his association with the Company, Government would not give it assistance of any kind, his dealings were not straightforward, and Government had had very bitter experiences of him Master made it clear that although P M. Kabali & Co were shown as Managing Agents on paper,[7] Kabali in person no longer retained any connection with the Company; both the Company and the Managing Agency would thenceforth be under the control of Walchand and the Scindia Company Then only the worthy knight consented to continue the discussion with him He did nevertheless give Master one more piece of advice, as follows. "Try first to clear up Government's

Company at the time You may not be aware that they came to us, explained the position of the Company and asked us to take it over"

6 Government determined the routes on which airlines should or should not operate Its contention was that there was a waste of fuel and other supplies required for essential transport This was the ground given for enforcing the closure of Tatas' Bombay-Trivandrum flights Government looked on any object or activity which did not help the War effort as "non-essential"

7 Later (1946) this name for the Managing Agency was changed to "Mercantile Airways Agency" The management was entrusted to Shantikumar Morarjee and the misunderstanding due to the name was removed

uneasiness about the Company. For it to be under Walchand is a good thing But still, give him a private word from me: 'From now on, keep your head down, and watch your step.' Government has got its eye on him too. So it's a case of walking carefully, one step at a time You very well know what sort of atmosphere is prevailing today"

The circumstances being adverse, Walchand knew very well that Government would not willingly consent to assist his new industry; yet, being an inveterate trier, he refused to be scared off by adverse circumstances, and went on trying To put the schemes he had formed into practice, called for a very considerable increase in the Company's capital. He first obtained sanction for this from the High Court and Government; he began negotiating for pilots of various grades, ground engineers, mechanics and wireless operators, he commenced a correspondence with the Director of Civil Aviation, asking him by way of encouragement to give Air Services of India at least a couple of planes for plying on such routes as the Delhi-Bombay route, which had not been allotted to any other Indian airline but was reserved for the Royal Air Force This officer replied that in view of existing military requirements, Government would not be in a position to take any action until the end of the War; immediately thereafter, however, Walchand's request would be taken up for consideration[8] He concluded this letter by giving reasons for his refusal While doing so, he gave a further reason that to keep two planes flying on the Delhi-Bombay route would require at least 33 assorted air personnel[9] whom under existing conditions it would be utterly impossible to obtain Such was indeed the indisputable truth At the same time, it was not true that Government was entirely helpless in the matter; if it had genuinely

8 While clarifying why Government was obliged to give this refusal the Director condescended to write "Broadly speaking the present policy provides for
(a) allotment of aircraft firstly for military air-routes operated by the Air Force, and
(b) after all military requirements have been met, allotment of aircraft to such airlines as can operate transport services essential to the war effort the number of aircraft so allotted being limited to the scale of their established resources
This policy does not encourage operation by civil companies of routes operated by Air Forces, much less entrust a particular route to a company which has not yet operated on it In view of this policy, the Government of India are not in a position to hand over to your company for operation the Delhi-Bombay route, or to allot the necessary aircraft (at least two) required for the operation of your proposed service Furthermore, the minimum operational staff which would be required to be engaged for the operation of the Delhi-Bombay service four times a week, as far as it is known from records available in this office, is not available in the country without drawing on personnel already employed

—W H Watt New Delhi January 15 1944

9 The letter gave a detailed list of this personnel

wished to give encouragement, it could easily have obliged Walchand.

Walchand's case to Government was this: "In order to acquire trained subordinate personnel for its own work, the Company opened its own technical school. This you have taken possession of, for training up the personnel which you need yourselves. Well and good; but at least train up as well a few personnel there, to meet the needs of the Company as well as others. Even this you are not prepared to do. Let us for the moment leave aside the question of today; but tomorrow, when the War is over and civil air transport has to be started on a big scale, how will it find the personnel which it will need? The personnel you have specially trained for your Air Force, will not be much use for civil transport In any case, not one of them has had first class training So, with an eye to the needs of the future, why do you not here and now arrange to train a few young men and give them for the service of the Company? If you wish, we will pay the costs of their training"

These arguments of Walchand's also Government refused to consider It gave him a stereotyped reply that "Government would not be in a position to encourage any effort which did not assist the War effort". To which Walchand retorted by asking "What about Australia and Canada, which are countries of your Commonwealth just like India? They are both helping your War effort and also making efforts to assemble planes and air personnel for civil air transport in the post-War period; are you doing anything to stop them?" Walchand's question was parried by the stereotyped reply "No change can be effected in Government's present policy pending the cessation of hostilities" The actual situation was such, that Government feared lest to allow a key industry like the air industry to pass into the hands of an out-and-out nationalist like Walchand might possibly prove a threat to British rule The 'Quit India' movement conducted by Congress, and Subhas Chandra Bose's organization of the Indian National Army in Burma, with his anti-British campaign in association with the Japanese, left the Government of India a prey to anxiety and doubt. This was the consequence of it In point of fact, Government did not give public expression to these feelings; yet Walchand, with his perfect knowledge of the British character, was well aware of it. He had recognized this basic feeling in Government, as soon as he saw an ardent airman like Kabali being detained on the outbreak of war. When Sir Gurunath Bewoor warned him to 'keep his head down', he had at once perceived that this warning was given out of an awareness of this basic feeling

on Government's part. Nevertheless, he not only kept his head high, but he began to proclaim openly that "the sooner this Government is destroyed, the sooner will the destruction of India cease and happy days dawn for the country".

During the course of the 'Quit India' movement, Edgar Snow, author of the famous book *Red Star Over China*, was touring India, investigating the political situation He was endeavouring to meet leading individuals from different strata and acquaint himself with their views about British rule On his visit to Bombay, he called at Jawaharlal Nehru's suggestion on Walchand. He said to Walchand, "You have now told me how you have entered the dispute on Gandhi's side, and how you have all along supplied him with funds. I want to ask you, are you agreeable to the British leaving India and the Japanese entering ?"

Fearlessly Walchand replied, "I am agreeable to the Japanese up to a point, but I positively do not want the British in India When I went to Japan, the Japanese treated me on terms of equality ; they looked after me right royally in smart high-class tourist shelters like the Imperial Hotel ; wherever I went, I was entertained with honour and respect In England on the other hand, every hotel I went to would be found "full up" Big merchants and industrialists had no desire to invite me to their homes Even in America, hoteliers would tell me that they "didn't allow blacks". So what sort of feelings are men like me going to have, about people like those ?"

"But if the Japanese come," interjected the man Snow, "you'll simply be ground into the dust, make no mistake ! Once you get their yoke upon your necks, you people will no more be able to reap today's fat profits It may even come to your losing everything you've won so far "

"That doesn't worry me. Look at me Today, am I free ? I'm a slave, I say, a slave !"

The peculiar voice in which Walchand uttered these last words, left Edgar Snow shattered He could do nothing but sit and stare awhile at Walchand [10]

When Walchand showed such open and unconcealed disgust for the British, for all their outward display of sympathy, British officials never lost their hostility towards him In particular, pressure was brought to bear on the Heads of Departments dealing

10 Edgar Snow recounts the story of this meeting with Walchand at pp 51-52 of his book *Glory and Bondage* (1944)

with Government's Foreign and Political Department, to put obstacles in Walchand's way [11] No opportunity was lost of indirectly putting a spoke in his wheel. How could attempts fail to be made to put one, at least into this activity of his for starting air transport ? But Walchand rose superior to them all He never abandoned his philosophy of striking blow upon blow until success should be his. He clearly perceived that British power would quickly be expelled from the country, and popular rule established. His inner voice encouraged him with the message that "The day of Self-rule is close at hand ; pursue thy preparations for the task before thee with a steadfast mind"

In nineteen hundred and forty-five the War ended The situation began to change, and Walchand began to push his scheme for air transport ahead with all the force he could muster. He started to stir up the Government of India to fulfil the promise which it had so often made

By now there were heaps and heaps of war stocks lying about unused These, Britain and America were engaged in selling off, and releasing the money locked up in them, as far and as fast as they possibly could Walchand determined to take immediate advantage of the situation In order to sell supplies used for the War but not required, the American Government had set up a body called the United States Foreign Liquidation Commission From this, Walchand purchased for his Company ten Dakotas and two small planes known as L 5s In addition, he put in a request with the De Havilland Company of Britain for 5 'D H Rapids'

For starting aeroplane transport, it was necessary to obtain official sanction For this purpose, correspondence went on for months together, and at long last it was received The Company decided to make a start by opening the route Bombay-Jamnagar-Bhuj Accordingly on May 2, 1946 an auspicious hour was selected, and there was a ceremonial send-off at the hands of the then Home Minister of Bombay Province, Morarjee Desai Next day, on May 3, the two Dakotas 'Gagan Doot' and 'Gagan Deep' started their daily shuttle service After a few days, these two planes of the Company began to fly on to Karachi Next year (1947) the addition of two more Dakotas raised the Company's fleet to 19 machines It began

11 "The Foreign and Political Department of the Government of India of that date may however have been the real cause of the difficulties which were created and the endless and totally unnecessary delays which occurred "
—Memorandum of Company's (Air Services of India) representation to the Air Transport Inquiry Committee, Part I, p 7, March 10, 1950

to fly five new routes, Bombay-Bhopal-Kanpur-Lucknow, Jamnagar-Porbandar, Jamnagar-Ahmedabad, Bombay-Bhavnagar, and Bombay-Gwalior-Delhi. After a few more days, flights began on the Bombay-Poona-Bangalore route.

About this time, great changes had taken place in India's political situation These began gradually with the release of Mahatma Gandhi from jail on May 6, 1944 by Viscount Wavell, the then Viceroy With the introduction of politics at a high level, the Congress Working Committee was also released from jail in the middle of 1945 High-level talks began between the Viceroy and popular leaders about a national government and independence And finally on September 2, 1946, the Viceroy brought Jawaharlal Nehru and other national leaders together and formed a provisional government Nehru was appointed Deputy President of the Viceroy's Executive Council In March 1947 Wavell retired and was replaced by Lord Mountbatten At midnight on August 14, British rule ended ; on August 15 India became free, and Jawaharlal Nehru announced the dawn of popular rule. He became Prime Minister of India, and the heavy responsibility for India's future descended upon his shoulders The entire population began to look to him with great hopes for their prosperity

Now that day had dawned, for which Walchand had waited so many years The days and days of ill fortune were over, he hoped, and days of peace, happiness and prosperity would soon be here. Yet signs were visible that these hopes would—for the time being at least—prove hollow The appalling tragedy which overtook the country as the result of Partition, with rioting, burning, slaughter and panic flight, here and there ; and, as though these were not enough, the Muslims' inhuman assault on Kashmir , these made men wonder whether they would lose the freedom they had gained That Government which Walchand had expected to give help to his industry, was engaged in a life-and-death struggle, and on the contrary was itself reduced to receiving help In these disturbed days, Walchand gave practically all the planes of Air Services of India for the use of Government During this period, these planes performed a task of the highest responsibility, by safely carrying to India homeless, landless, shelterless Hindus and Sikhs from the areas overrun by Pakistan, and by swiftly transporting troops engaged in the Kashmir fighting With the political situation in the country becoming a little stabilized, he had to work extremely hard to restore order in the chaos of the Company's business And now he was

called upon to face a new situation

The field of air transport had been invaded by competition Government's failure to apportion the areas of transport properly, or to accept the responsibility for controlling the rates, had occasioned a steadily mounting loss. By now, the original four airlines had become ten, with seventeen more trying to enter the field; thus confusion reigned. Walchand delivered an earnest warning and appeal to Government, to bring order and control into the air business as rapidly as possible, failing which there would be a terrible financial debacle, with an evil effect on the country's economy This produced a favourable reaction, and Government began to think along these lines. It began to feel that, rather than leave the business in private hands, it would be better to nationalize it Walchand had no objection to nationalization This should not be done, he advised Government, in haste and hurry, the already existing companies should be put on a sound basis, after examining their condition and giving such financial aid as might be necessary, while a curb should be put on the over-enthusiasm of attempts to form new companies; and then, after allowing some time to elapse, the business should be properly examined and the necessity or otherwise of nationalizing it considered, after which steps could be taken for the future

In 1949, Walchand's health began to fail, and he therefore retired from the management of Air Services of India After arranging for his devoted friend and lifelong partner in numerous industrial ventures, Tulsidas Kilachand, to occupy the Chairman's seat, Walchand bade the Company farewell

Following its policy of nationalization, the Indian Government set up an organization called the Indian Airlines Corporation, into which it incorporated (August 1, 1953) all the eight airlines then in existence

6.

A BITTER FIGHT TO SET UP A CAR FACTORY

IN the midst of his efforts to establish ship-building and aircraft-building industries, as well as air transport, Walchand was pursuing his efforts unremittingly, ever since his return from America in 1939, to carry out his scheme for building motor vehicles also

In accordance with its promise, the Chrysler Company[1] sent its representative, T. G. Davis, to Bombay in November 1939 to make a personal investigation of the possibility or impossibility of setting up a car factory in Bombay, and to conduct subsequent discussions with its promoters He collected all the information which he deemed necessary, processed it minutely, and satisfied himself that if a car factory were to be established, it could prove successful ; after which he sent his views in favourable terms to the Directors of the Chrysler Corporation On receipt of these, the Corporation's Export Division entered into a ten-year collaboration agreement, on July 8, 1940, with the promoters of a car factory to be started in Bombay Signatures were affixed thereto on behalf of Chrysler's Export Division by E C Morse, and on behalf of the car factory by Walchand[2] By the terms of this agreement, the Company running this factory was allowed to operate over British India, the Indian States, Burma and Ceylon While the agreement remained in force, the Company was granted permission to make use of the Chrysler Corporation's patents Every type of technical and mechanical assistance required for car manufacture[3] was also to be

1 See Middle Period, p 330

2 The agreement shows the signatures of the Chrysler Corporation's representative T G Davis and Sir Mokshagundam Visveswarayya as witnesses

3 The clauses of the agreement relative to these points are as under

The Corporation also agrees to perform the following services for the Indian Company, if, as and when requested to do so by the Indian Company

(a) Prepare building layout plans indicating proper placement of machinery and equipment

(b) Prepare specifications for the machinery, jigs, fixtures, dies and gauges required for the Indian factory

(c) Purchase on behalf of the Indian company or facilitate the purchasing by the Indian Company of tools, equipment and machinery required for the manufacture

supplied by the Chrysler Corporation For this assistance, the Company was to make such reimbursement as might be fixed, according to the varying nature of the work done by it The Chrysler Corporation was to retain no share in the Company's capital or system of control

On completing the agreement with the Chrysler Corporation, Walchand got a three-year scheme for car manufacture drawn up (November 25, 1940) by Bombay's Director of Industries, P. B Advani, and sent this to the Government of Bombay, along with a copy of his agreement with the Chrysler Corporation And at the same time he reminded Government of the promise given by the Congress Cabinet to render financial assistance

In the first week of November nineteen hundred and thirty-nine, Bombay's Congress Cabinet resigned All the reins of Government for Bombay Province passed into the hands of the Governor Sir Roger Lumley A Council of Advisers was appointed, by whose agency the affairs of the Province were administered

To honour or dishonour the Congress Cabinet's pledge was entirely dependent on the Governor's choice. In the first instance, Walchand called on the Governor's Adviser for Trades and Industries, one Bristow, and suggested the desirability of his being given Government assistance for putting his scheme into practice as early as possible Bristow ran true to type He raised doubts and objections one after another and reeled off a whole catalogue of imaginary difficulties Using the adverse War situation as a pretext, he poured all the cold water he could find on Walchand's enthusiasm

For a time, it was inevitable that Walchand should feel the futility of pursuing his scheme further, after seeing this discouraging and unsympathetic attitude of a principal Government officer like Bristow However, certain friends advised him, "Don't take Bristow's words to heart; go and meet the Governor personally, and explain this scheme of yours to him May be he won't disappoint you so thoroughly as Bristow did"

of the motor vehicles referred to herein by the Indian Company, utilizing its experience and knowledge in selecting and inspecting such equipment, machinery and tools

(d) Send out to India trained personnel to supervise the installation of the manufacturing operations, including the training of the Indian Company's Indian personnel during such periods of time as may be mutually agreed upon

(e) Perform development and engineering work on special models of motor vehicles required for the Indian market

The Indian Company will reimburse the Corporation for each and every one of above mentioned services

Walchand took his friends' advice and called on the Governor The two of them had a pleasant talk for two hours. He conceded the desirability and necessity of starting a car manufacturing industry in Bombay. "My Government," the Governor promised Walchand, "will certainly honour the Congress Cabinet's undertaking to you. The question of giving or not giving the sort of special protection you expect from Government, for your projected car manufacturing industry, will however depend on the wishes of the Government of India I can only make a recommendation to them in the matter I agree that with a view to giving your industry a firm foundation, it will have to get Government's protection for some while I will definitely write to the Government of India to that effect."

True to his promise to Walchand, Sir Roger Lumley sent a letter to the Commerce Department of the Government of India, whose purport was that Walchand's scheme being a practical one, and being desirable from the point of India's economic advantage, should receive sympathetic consideration However, at that period the Commerce Member was absorbed in the discussions of endless and fruitless meetings and the publication of meaningless and ill-informed statements, and it appears that neither he nor his Department could find time to consider the letter On the pretext that "the War being on, it was desirable for such a question to be considered by the Commander-in-Chief alone", this individual passed it on to the other fellow, and washed his hands of it

Since before the War, Government had accepted the idea of mechanizing the Indian Defence Force One of the necessary ingredients of this mechanization was the provision of motor vehicles for moving troops and transporting warlike stores These of course included armoured cars, tanks, and so on In line with this new policy, Government had furnished the Indian Army before the war with 5,000 motor vehicles for defence purposes In the first year of War, this figure rose to 30,000 and as the War lingered on, it went on increasing, being 60,000 by the end of 1940 The cost of these to Government was nearly 23 crores of rupees Noting these growing requirements of the Defence Force, and considering the amount of the cost of supplying them, Walchand proposed to Government, on his return from America, that he would undertake to construct 5,000 motor vehicles a year and supply them to the Defence Force, within nine months from receipt of the order. He asked for help in opening the factory. The effect, he said, would

be to start an industry in India of immense importance for the country's welfare, as well as to keep right in India itself the sums which were going abroad. If he could have got the job of supplying so many vehicles to the Defence Force, Walchand would have had no cause for anxiety about the success of his factory

A long while after the letter from the Government of Bombay had travelled from the Commerce Department to the Defence Department, the former received a reply from the latter, of which the gist was, "Walchand's scheme cannot be brought within the War Effort category, and therefore we do not feel we should take an interest in it, for the time being at any rate All our present needs in this context are being met by Ford and Chevrolet trucks As things are, to take vehicles of a new make will cause confusion in the existing set-up, which would always prove detrimental". Such a reply from the Defence Department did not excuse the Commerce Department from thinking for itself and appreciating that, in the industrial field, this was reckoned as one of the key industries, and that once started in the country for War purposes, it would turn out to be for India's ultimate benefit But the idea of taking this much trouble did not enter the head of the Commerce Member or his Department This forwarded to the Governor the Defence Department's letter just as it had been received On both occasions the Commerce Department office added no comment of any sort, either to the Governor's letter or to the reply received from the Defence Department, but simply functioned as a post office A few days later (December 16, 1940) the Government of India announced that since a factory to be started in India for manufacturing cars would not fall within the War Effort category, it would not be possible, at least for the time being, to consider granting it any assistance Government claimed to share the desire that such industries should arise and grow in India; however in the current War situation nothing could be done Government promised that after the War it would definitely consider the matter

While announcing this refusal, the Government of India falsely alleged that the scheme laid before it was not a factory to produce cars, but one to assemble component parts imported from abroad, and to bolster up its case, it gave a list of its difficulties In order that the public should realize the fanciful and hollow nature of all these "difficulties", Sir M Visveswarayya promptly published, on December 22, 1940 a lengthy and forthright pamphlet[4] The news-

4 'Government's attitude towards Automobile Industry in India'

papers also made use of this for taking Government severely to task.

On observing the above pattern of the Government of India's policy, the Bombay Governor wrote[5] to Walchand on January 4, 1941, saying that his Government would not be in a position to guarantee the financial assistance which he (Walchand) expected.

While Walchand was debating his future course of action, after receiving the above adverse response from the Government of India, it crossed his mind that, if he tried, the Mysore Government might possibly help him with his car factory just as it had with the aircraft factory. He was required to visit Bangalore periodically for the work on Hindustan Aircraft On December 16, 1940, when he had gone to Bangalore, he called on the Mysore Maharaja's Dewan, Sir Mirza Ismail At this meeting, he explained his scheme for a car factory, and requested the Dewan to see whether it would be possible to get the Maharaja's backing for it, just as in the case of the aircraft factory Sir Mirza Ismail was a gentleman of advanced ideas and a devoted worker for the progress of Mysore State He was convinced that any scheme promoted by a practical, imaginative and experiment-minded engineer like Sir M Visvesvarayya and a daring industrialist like Walchand, and backed by a first-class industrial concern of international fame like the Chrysler Corporation, must assuredly be practical and promising of success He had before him the example of how greatly the car industry had contributed to the economic power of America and Britain Besides, since aircraft manufacture and car manufacture mutually assist and nourish each other, he felt that the opening of a car factory, in addition to the aircraft factory already opened in Bangalore, would be a circumstance of very great good fortune for the industrial progress of Mysore State In particular, some domestic custom would provide a powerful stimulus for a Government factory like the Mysore Iron & Steel Works at Bhadravati; while at the same time ample wages for the workers and a new industry for the trading community, would naturally raise the living standards of the citizens. Such were the thoughts that entered his mind and attracted him towards this scheme. He cherished the ambition that Mysore should always be in the van of the industrial sphere, and this could be fulfilled only by the opening of industries in the State such as the car manufacturing industry.

5 'This Government feels that it cannot give you the financial guarantee you desire It would clearly be of little advantage for this Government to lend support to a scheme which must so largely depend on the active co-operation of the Government of India at a time when the Government is unable to promise its support"

In the second and last week of February 1941 Walchand again held detailed discussions about the scheme with Sir Mirza Ismail, during his stay in Bangalore. Sir Mirza Ismail assured Walchand that he would take the views of the Executive Council,[6] and speak a word to the Maharaja about the car manufacturing scheme, as early as possible At the same time, Sir Mirza Ismail also reminded Walchand that, in order to make the Mysore State public equally favourable and sympathetic towards the scheme, it was necessary to put out some informative propaganda about it, and he advised Walchand to attend to this Such advice was somewhat superfluous for Walchand, who always kept his propaganda machine in good trim, and was an old hand at using it expertly so as to further his tricks and stratagems Even without Sir Mirza Ismail's suggestion, he would have followed his usual practice and launched a propaganda campaign.

On returning to Bombay, Walchand called the man who assisted him in matters of propaganda, Salivateeswaran (March 25 and 26, 1941) and discussed the plan of campaign with him. Salivateeswaran was Bombay correspondent for the *Hindu* of Madras, and he carried much weight among journalists He was among the trusted and chosen correspondents of the *Hindu*'s Editor, K Srinivasan Walchand was aware of all this when he got hold of him

If a propaganda campaign was to be set in motion in Mysore, this could not be conducted from Bombay Moreover, alongside the propaganda it was necessary to assess public reaction from close at hand. Just as soon as word got around that Walchand was thinking of opening a car industry in Bangalore, it would be enough to make foreign traders start propaganda, both open and secret, for misleading the politicians and members of the motor trade; this would have to be corrected at frequent intervals wherever it occurred, and a scheme would also be necessary for promptly crushing it With all these circumstances in his mind, Walchand engaged Salivateeswaran, after obtaining K Srinivasan's consent, for a three-month period for the business of the propaganda campaign in Bangalore. Sir M. Visveswarayya was then actually camping in Bangalore Walchand's younger brother Lalchand, being Resident Director of Hindustan Aircraft, was also in Bangalore Walchand suggested to Salivateeswaran that he should take the advice of these two persons while conducting his propaganda campaign He also arranged for

6 The Maharaja had appointed a Council of four Ministers to assist him in administering the State

him to get direction from another friend, Maganlal Shah, who was well acquainted with the local atmosphere and members of Court circles, and was also Deputy General Manager of Hindustan Aircraft.

Salivateeswaran went to Bangalore on April 3 Here, through the intervention of Maganlal Shah, he obtained temporary accommodation in the Mysore Chamber of Commerce Building, and opened the Motor Company's office. Travelling about the city, he met leading citizens in various fields of business, and acquainted himself with their reactions to the question of a car factory. He also attempted to gauge the views of persons at Court He made an especial point of calling on Sir Mirza Ismail the Dewan, and finding out the trend of his views and his expectations.

To the citizens, setting up a car factory in Bangalore in addition to the aircraft factory was a welcome move ; whereas Court Circles, Salivateeswaran observed, held divergent views in the matter—especially the Executive Council Only Sir Mirza and his Finance Secretary were in favour, he saw, and firmly of opinion that a car factory should be opened in Bangalore In the course of talking to Sir Mirza, he came to know that along with certain prominent members of the Court, an Englishman who was the Maharaja's Private Secretary—Sir Charles Todhunter—was not much in favour of the scheme, and was raising a number of extremely far-fetched doubts concerning it This spelled danger Salivateeswaran was seized with doubt whether the fellow would not run true to type and bring about a difference of opinion in the Maharaja He mentioned this to Sir M Visveswarayya, warned Walchand of it, and thereafter began to watch his step with extra care.

Immediately on it being known that there was a plan to open a car factory very shortly in Bangalore, with the Mysore Government's help, Bangalore was visited by the representative of a foreign firm which imported component parts from its home country, and sold assembled cars in India on a grand scale This individual called on the man representing the British Power, the Resident for Mysore State ; that Todhunter, the Maharaja's white-skinned Private Secretary ; and the members of the Executive Council. He claimed to have minutely scrutinized Walchand's agreement with the Chrysler Corporation, which he positively considered one-sided and detrimental to India's interests ; and he alleged that this was the principal reason for the Bombay Government's refusal to assist Walchand. And with these arguments he applied himself to the task

of putting those people in the wrong and making them waver He also began to broadcast his plan of scrutinizing the Prospectus of Walchand's Motor Company, whenever it should be published, and of exposing the fallacies of its proposed objects, through a pamphlet which he would circulate in the capital market for the benefit of Indian capitalists [7]

This meddlesome interference by the foreign company's representative called for immediate counter-measures. Salivateeswaran sent one copy of the car factory scheme, and one of the agreement between the Chrysler Corporation and Walchand, to a distinguished person who was Director of the Reserve Bank's Central Board, for his remarks. This individual gave it as his considered opinion that the view taken by that foreign company's representative was incorrect, and that the Chrysler-Walchand agreement contained nothing whatever to India's detriment Salivateeswaran then interviewed the Finance Secretary of the Mysore Government There was a very frank talk between the two. The Secretary said·

"No matter what opinion this foreign expert of yours may give, my opinion remains the same I am sure that a car manufacturing industry will be beneficial, on the economic view, not only to our State but to India as well. I have sent my opinion in favour of Walchand's scheme to the Dewan Saheb, along with certain suggestions of mine Every time we have planned to start some new industry in this our State, there has been adverse propaganda from foreign business interests just like today; but we have never paid any heed to it Some years ago, when we planned to open a sandal oil and soap factory,[8] an American businessman put out propaganda to disrupt opinion in just this way; but we refused to be impressed, and opened our factories Today, both factories have achieved a boom, and you can easily see what a goldmine they have become for Mysore State At Bhadravati we established the Iron & Steel Works in 1923 What criticisms there were at that time! The self-styled experts and business wiseacres of those days used to shout that 'the Maharaja was being led by the nose by Visveswarayya and was being inveigled into throwing good money after bad, for which one day he would have to repent' Yet today those very same people are praising the Maharaja's bold courage!

"If a car factory gets going in the State tomorrow, what a help

7 Salivateeswaran's letters to Walchand of 8 and 9 April, 1941
8 The sandal oil factory was opened in 1917 and the soap factory in 1918 In these, the Mysore Government sank eighteen and twenty-five lakhs of rupees respectively

it will find the Bhadravati factory! From 1936, twenty thousand tons of steel have come to be turned out by this factory. This is high grade steel which has given it a big reputation in the market. At this juncture, then, we should not allow our minds to be swayed by the above criticism of the car factory by self-seeking minds, but Walchand and we should address ourselves to the job of bringing the car factory into existence as rapidly as possible. After the War is over, this industry will definitely see a boom period In Europe, iron and steel have been used up for war supplies, and a large proportion of factories have been destroyed, and hence for ten years at least it will not be possible for motor vehicles to reach India in their former numbers; at the same time, India's needs in this direction will go on increasing. At such a time, what great scope there will be for a factory here to come up! Even if by some chance Walchand fails to get as much capital as he expects from the Mysore State, he will easily be able to get it from the capital market. The country's moneyed men are eager to put their capital into this industry; enquiries have already started coming from them Let Walchand meet the Government of India once more; and if he doesn't get help in any other way, at least I think he should find a way to make the Government willing to help indirectly, by buying the vehicles built in this factory Even if this is as far as the Government of India will go towards helping, it will be a great deal"

Salivateeswaran conveyed these views of the Financial Secretary to Walchand in his daily bulletin At the same time, after taking Sir M Visveswarayya's opinion, he prepared a pamphlet refuting in detail all the objections received from hostile critics; and this, with Walchand's approval, he got published in all the leading newspapers in India He also arranged for editorials to appear in these, supporting the car manufacture scheme An Anglo-Indian journal like the *Statesman* of Calcutta (April 22, 1941) castigated the Government of India's short-sighted, inept and evasive policy in plain language It said:

"Despite its claim to share the public's desire to see India making motor-cars, the Central Government's attitude has never been encouraging It says in its latest communique on the subject that it is willing to do everything practicable to assist this development but goes on to explain why assistance cannot at the moment be given. If Government had shown this willingness to do all that is practicable two or three years ago the country would by this time

have seen factories in full production and a new and valuable asset to the war machine would thus have been created Difficulties anticipated by Government in starting such an industry during war include the release of dollar exchange, the purchase of plant and other material and the availability of skilled labour, none of which would have given trouble had there been imaginative consideration of proposals submitted long before the outbreak of war.

"From the aircraft manufacturing scheme, however, industrialists interested in the automobile project may draw fresh encouragement. There is no reason whatever why a country manufacturing aeroplanes should not also undertake the building of its motor-cars There is now little hope of active Government support, at least until such time as the Indian-made vehicle is put on the road, but about the demand from Government as well as from private sources for reliable Indian-made vehicles there can be no doubt The industry, we believe, will come with or without official support And if the latter is the case, the people who take the initiative might well be thankful in years to come that theirs was a purely private enterprise"

A few days later, Walchand came to Bangalore (April 11) where he stayed for three weeks. During this period, Salivateeswaran took a special interview from him, which also he published in the Press In this interview Walchand gave a crushing rejoinder to those persons who persisted in misrepresenting his scheme and raising objections to it Some foreign traders were putting out propaganda with ulterior motives, to the effect that India would find it more profitable to go in for the business of selling cars rather than building them, since building cars would prove a constant drain and source of loss Walchand vigorously exposed this propaganda's falsity and tendency to cloud the issue, in unambiguous terms. There was a distinct likelihood that the opening of car factories in India would exercise a baneful effect on the business of those who made huge fortunes[9]

9 An idea of the colossal profits made at this time by foreign traders, engaged in the business of selling cars in India, can be gathered from the following extract from an article published in the *Bombay Sentinel* of 18th April, 1941, under the head "General Motors find India a Gold Mine".

"The news recently published in newspapers that India is to have its own motor car factory at Bangalore has caused quite a flutter in the dovecotes of some of the foreign manufacturers who have built flourishing factories for the assembling of American cars and trucks

"Their uneasiness is quite explained by the fact that the production and selling of cars is a real 'money-spinner', even judged by the American standards

"For example, take the case of General Motors India Ltd This Company made Rs 38 lakhs in 1939 and Rs 43 lakhs in 1940 These are net profit figures

out of selling foreign cars; which is why those foreign self-styled benefactors were trying to put across, among Indian capitalists, the selfish doctrine that "it is more profitable to sell imported cars than to manufacture them." And a few Indian capitalists who took the purely selfish view, were fooled by their hypocritical talk and played their game

Walchand found all this activity disturbing and in bad taste. It distressed him exceedingly that some of his fellow businessmen should fall into the trap of foreign hypocrisy, and yielding to the temptation of ephemeral benefits should indirectly lend themselves to injuring their country's welfare Yet with all this, he derived satisfaction from the way in which the *Bombay Sentinel,* in that selfsame month (April 18, 1941) had dragged into the light the sordidness of the foreign car traders, and exposed the true nature of their sanctimonious resistance to the establishment of an Indian car factory It was but natural for him to give vent to the wish, "Now at last let the eyes of some of us, who fawn on foreigners, be opened!"

While talks with the Mysore Government were going on, one day (April 26) a certain Green, Director of Industries for Madras Province, came to Bangalore to meet Walchand He said to him, "If you are prepared to locate your car factory in some place in Madras Province, such as Mettur, instead of Bangalore, the Madras Government is prepared to render you assistance of every kind Mettur is a less costly place, and will provide you with electricity and manpower at cheaper rates than Bangalore, and in ample quantity A mercantile body, the Southern Indian Chamber of Commerce of Madras, has passed a separate resolution to the effect that, in case you agree to open your factory within Madras Province, it is agreeable to assist you to raise the capital In my opinion, you should agree to take advantage of all these favourable factors." Walchand's answer to this Green, however, was "At the moment I am eagerly awaiting the Mysore Government's decision; and I still have no proper idea of what facilities it will wish to grant, to help

"To realize what a singular goldmine the motor car business can be in India, it should be mentioned that General Motors started with the comparatively modest capital of one crore of rupees of which about 50 lakhs were invested in machinery and tools, etc "This Company has now been in existence for some eleven years and has made a net profit amounting to nearly 150 lakhs of rupees In 1929 alone, (a year after it started) it showed a net profit of Rs 26 lakhs. From these facts and figures can anyone doubt but that an Indian motor car factory is certain to be an economic asset to the country, if it is properly and efficiently run?"

me. In such a situation it will not be possible for me, for the moment, to talk to you about your suggestion."

As soon as it was known that Green, The Director of Industries, had visited Bangalore, met Walchand, and suggested opening the car factory in Madras Province, the citizens of Bangalore were in an uproar There were public demands that the factory "must be opened in Bangalore", and that the Maharaja "must give his assent to Walchand without delay" and "must help to get it set up immediately". The *Daily News* of Bangalore wrote a leader (April 29, 1941) captioned "Mysoreans should resist with vigour", sharply criticizing Green and the Southern Indian Chamber for their tactics in suggesting, behind Mysore's back, that Walchand should locate his factory in their Province.[10]

Sir Mirza Ismail got the car factory scheme minutely scrutinized both by his officials and by experts, recorded his own favourable remarks, made his recommendation—in mid-April—that the Government should assist its promoters, and sent the correspondence to Mysore for the Maharaja's final approval

In the ordinary course, matters recommended by the Dewan used to receive the Maharaja's signature in token of approval, and would then be sent back promptly for implementation But in this case it happened otherwise Actually, Sir Mirza Ismail had had two

10 In this leader the Editor wrote

"They say that they possess Mettur, for cheap electrical power and they feel proud that *Madras is bristling with investors to take shares in the concern Mysore too has* its investors and cheap electrical power to boot Who supplied power to Mettur when they were pounding the stones to manufacture concrete ? Long after this State started its various Hydro-Electric Schemes Madras Government woke up rubbing their eyes It is comical indeed that they should now come forward with a proposal that their energy is cheaper than Mysore's Would this tempt Mr Walchand ? We say no Mysoreans will have to answer this challenge We request the Mysore Durbar not to enmesh themselves in this art of coquetry which at all events does not pay them in the long run Mr Walchand Hirachand as we know is a tough guy and our interests are safe in his hands

"Patriotic Mysoreans should rally round our Government to see that this Automobile Industry is started right now and without delay All attempts to befool us must be stoutly resisted "

Whether provoked by these criticisms or by those in other newspapers the Madras Government issued (May 5, 1941) an official disclaimer, stating that it had never suggested the opening of a car factory to anyone whomsoever How far this disclaimer strayed from the truth will be apparent from the following extract of a demi-official letter (Madras, April 24, 1941), which the fellow Green sent to Walchand ·

"I have been asked by the Madras Government to see you in regard to your motor car manufacturing project and there are one or two other matters that I would like to take the opportunity of discussing with you "

or three talks with the Maharaja, who had signified his approval of the scheme on April 23[11]

By the first week of May, when he had spent nearly twenty days in Bangalore without any favourable orders being passed by the Maharaja, Walchand became a prey to anxiety. He began to suspect that something else must be cooking in the way of politics. He got wind of two trips by the Political Resident from Ootacamund to Mysore, to meet the Maharaja, whereby his suspicions were intensified Industrial circles in Bangalore were no less surprised to note this delay in passing orders, on the Maharaja's part, and they in their turn began to wonder whether the Government of India might not be trying to put pressure on the Maharaja. Certain of these persons decided to lead a deputation to the Maharaja on this issue, and despatched a telegram to him (May 6, 1941) requesting his consent to this.[12]

The Dewan, the trading community, and the public all felt that Walchand's car factory should be in Bangalore, and the Maharaja's personal wishes were broadly in agreement However, the foreign traders and British officials did not share these wishes. By various means they had sown all sorts of doubts in the Maharaja's mind and filled it with uncertainty, thus rendering him incapable of reaching a clear-cut decision.

It was now only ten months since the Mysore Maharaja, Jayachamaraj Wadiyar, had ascended the throne (August 1940) The last Maharaja, Krishnaraj Wadiyar, had been his uncle Since he had no issue of his own, the mantle of Heir-apparent had fallen on Jayachamaraji's father Kantirao Narsingrao, but with his death in April 1940, the succession to the throne naturally came to Jayachamaraj

11 Walchand's secretary Sardesai, in a letter to Gulabchand Hirachand from Bombay (April 23 1941) writes
I have received the followed message from Sethji "The Dewan motored to Mysore this morning, discussed the whole motor proposition with him and phoned back at about 1 20 to Venkatnaranappa that H H had approved the project The official confirmation (Order) of H H will take two days or so when I will wire to you to start with all the papers, etc, and the solicitor (Mr Maneckshaw) at once for Bangalore for about two week's stay here I do not want to lose any time whatsoever now! Accordingly I may have to leave any day for Bangalore during this week"

12 This telegram went under the signatures of C Hayvadan Rao, President of the Mysore Chamber of Commerce, and eight other gentlemen The text was "His Highness may be graciously pleased to accord us an interview at his early convenience, if possible on Wednesday seventh May, to enable us to personally lay before him the views of ourselves and of the public generally in regard to the importance of locating the automobile industry in this State and ensuring to the people of the State the full benefits which this modern industry is likely to confer on them They regard this opportunity as unique and are anxious it should not be lost"

About Jayachamaraj's father Kantirao Narsingrao the British Government entertained misgivings on many private counts. Maharaja Krishnaraj, who was on the whole orthodox, was not much attached to his brother, in view of the latter's frequent sojourns in Europe, his Western style of living, and many practices incidental thereto. The consequence of this was a further accentuation of Kantirao Narsingrao's careless, hedonistic, crazy and unpredictable qualities This resulted in the British Government, as well as Maharaja Krishnaraj, becoming increasingly displeased with him, and in his being stripped of his royal prerogatives The British Government not only got his civil pension stopped from the State's exchequer, but also got Maharaja Krishnaraj to attach his private proprety. In these unhappy circumstances Kantirao Narsingrao met his end in Bombay, in April 1940 [13]

Faced by the example of the fate in which the British Government had involved his father, the new Maharaja Jayachamaraj followed from the first a policy of accommodation with British officials, by which he would never displease them As soon as he saw that the British Government was at heart strenuously opposed to the car factory scheme, he revoked the promise which he had privately made to Walchand He accepted the advice of the Political Resident, and spurned that of Sir Mirza Ismail On May 15, 1941, Walchand received a letter from the Secretary of the Maharaja's Development Department, to the effect that, "The Government of Mysore are fully conscious of the great advantage that would accrue from the successful establishment of a large and prosperous industry of this nature But they feel that there are certain aspects of the proposal put before them which require investigation before the State could consider the question of participating in the scheme Apart from this it is very doubtful whether the scheme could be pursued at all in the present state of international affairs It is difficult at present to consider the proposal in its long-term aspect The Government are, therefore, of opinion that there is no purpose to be served by continuing the present negotiations for establishing this industry in the existing war conditions" The final trick fell to the British Government and its camp-followers [14] On a visit to Simla in the third week of May, Walchand learned that the

13 Govind S Tembe "Majha Jiwanvihar", pp 397-401

14 In his "Memoirs of my Working Life", at p 97, Sir M Visveswarayya has said "While preparations were in progress, the Government of India seem to have asked the Resident in Mysore to persuade His Highness the Maharaja not to agree to the proposal The idea had therefore to be abandoned"

Maharaja had conducted a long secret correspondence with the Government of India in this affair, which was preventing him from coming to any early decision.[15] It explained why the Maharaja had finally changed his original Yes into a No. The same doubts which had frequently plagued Walchand were eventually confirmed.

People read of the Mysore Maharaja's No to Walchand with surprise. The newspapers began to ask, not without criticism, whether the new Maharaja had abandoned the past policy of industrialization. Dewan Sir Mirza Ismail's pride was deeply hurt by the way in which the Maharaja had rejected his advice and bowed his head before the Political Resident. He grew uneasy at seeing the Maharaja place the selfish ways of personal advantage before the advantage of the people He shortly tendered his resignation from the Dewanship, which the Maharaja accepted with alacrity.[16]

On being turned down by the Maharaja of Mysore, Walchand, as already mentioned, went to Simla. Some influential and trustworthy parties in Bombay had suggested to him that, if he were opening a car factory in Baroda State, they would put up the capital, and would moreover obtain for him the Baroda Government's assistance; they desired him to pay one call upon the Dewan Thereupon Walchand went to Kandaghat in Patiala State, twenty miles from Simla, chiefly with the object of calling upon Dewan Sir V. T. Krishnamachari, who had gone to stay at that place for rest Thence he returned to Simla, where he found letters from officials of two States. One was from B. K Bhargava, Superintendent of the Industries Department of Rewa State, and the other from Sir Joseph Bhore, who on retirement from Government of India service had become Dewan of Bhopal State Both men enquired whether he would open his car factory in their States. To the first gentleman Walchand replied that he was doubtful about the State's capacity to guarantee interest of 3½% on a capital of two and a quarter crores of rupees for ten years To the second he frankly wrote that the Bhopal proposal might witness a repetition of what the Government of India's peculiar attitude had effected at Mysore; and that, besides, he had no idea how far the Bhopal Government

15 Minutes of the interview with the Dewan of Baroda Simla May 17, 1941

16 Walchand had had advance information from the Dewan of Baroda about Sir Mirza Ismail's intended resignation In his note upon his interview with the Baroda Dewan, he writes (May 17, 1941)

"The Dewan told me that Sir Mirza had written to him from Ooty about his intention to resign He also added that he knew Sir Mirza well and for a considerable time"

could fulfil the guarantee of interest which he had expected from the Government of Mysore.[17]

Walchand refused to believe that anybody from the States would brave the Government of India's opposition and co-operate with him The same, he thought, would hold good of Baroda also Only because of his friends' insistence, he called on Dewan Sir V. T Krishnamachari. He did not expect anything to come of it He was convinced that, so long as the Government of India refused to list car manufacturing among War Efforts, nothing could be done. The idea therefore took firm root in his mind that it would be advisable to keep on trying to get it so listed, and to this end he began to bend his steps

If a car factory was to be started in India, it would have to be listed among the War Efforts, and permission would have to be obtained from Government for exchange of the necessary four million dollars, and for bringing to India at least twelve American technicians Until this was arranged, Walchand would not be able to do anything. The only way to arrange it, was to persuade Government's Military Department and win its sympathy With this in view, when the person who was at that time Commander-in-Chief in India, Sir Claude Auchinleck, visited Bangalore on March 21, 1941 to see the Hindustan Aircraft Factory, Walchand took up with him the matter of the car factory He was happy to see the progress made by the aircraft factory in a very short period "Your factory", eulogized this individual, "has made very great and astonishing progress Seeing it has given me considerable satisfaction " After seeing the factory, Sir Claude Auchinleck said to Walchand, "Come with me to my quarters Sit in my car Then you can tell me whatever you have to tell me about your car manufacturing scheme."

That evening, Walchand was due to call on the Mysore Maharaja He was gratified at having got an opportunity to talk first with the Commander-in-Chief He expected that since Sir Claude Auchinleck

17 "The Mysore Government were advised on the Maharaja's inquiry by the India Government that they considered the starting of motor industry during the war would impede war effort as it would mean release of dollars for machinery, tools, etc
"In view of this I do not know whether Bhopal would care to proceed with the industry now
"Besides this, Sir Mirza had recommended to the Maharaja that guarantee of interest @ 3¼ per cent per annum on 2¼ crores capital of the Company for ten years should be given I do not know if Bhopal know of this and would be prepared to give this guarantee "

—Walchand's letter to Sir Joseph Bhore, May 21, 1941

was in a good mood, he would listen carefully to all he had to say, and speak with sympathy. He took his younger brother Lalchand, and boarded the Commander-in-Chief's car.

Very briefly Walchand outlined his car manufacturing scheme to Sir Claude Auchinleck, and with the Mysore Government having displayed an interest in this proposition, he requested that the Military Department also should take a sympathetic and helpful view of it, in the prevailing war situation, on the basis of its being an activity useful for the war. "Last November", said Walchand, "the Finance Member told the Legislative Council that by the year's end, the number of trucks with the Army would go above 60,000. He said they would give ten years' service. In my view, six years would be the outside limit. But even assuming that it was ten years, the Military Department would require 6,000 trucks per year for replacement. I would like to have an order from the Government for this replacement for a period of three years."

"Would such order", asked the Commander-in-Chief, "be sufficient to make the automobile factory economical ?"

"It would", replied Walchand, "as the factory will be producing 4,000 to 5,000 trucks in addition, for the general public. If we can build and sell ten to twelve thousand trucks and touring cars a year, there is no reason why the factory should not pull on well financially ; so we have been assured by both the Ford and Chrysler experts, after working out the figures. It was only after making sure in this way, that the Chrysler Corporation was ready to make an agreement with us. All those critics who object that this level of production is not enough to keep a factory in a sound financial position—either they must have no proper understanding of this business, or in raising these objections they have some ulterior object of a different sort. What else can we say ?"

Continuing his argument further, Walchand said, "In connection with truck supplies, I have met some Army officers. What they say is that maintaining vehicles of several different makes puts the Army to a lot of inconvenience and gives rise to many difficulties, which can only be surmounted by stocking spare parts of all the different makes on an equal scale ; and keeping all that stock is a nuisance and a headache for the Army. I told them that if they separate off different sections for the use of Chrysler trucks, this difficulty will not exist. All they have to do is to keep spare parts for Chrysler vehicles in those sections' stores."

At this, Sir Auchinleck, The Commander-in-Chief, exclaimed, "Oh

no, no ! This arrangement will be very difficult and inconvenient. The reason : whenever a military unit is transferred from one base to another, it takes all its gear along with it ; its vehicles go, too. If these, and the vehicles of the new base, are of different makes, the spare parts stocked there will be found of no use when they're wanted Result—a muddle."

"If any such difficulties arise, we will take immediate steps to remove them. Another point is this, that the Army has no need to stock spare parts for Chrysler vehicles We will keep them always available with us, as required If at any time an unexpected demand comes, for parts, we will stop our regular work for a while and concentrate on supplying them We will not allow the Army's work to be held up."

"I would have very much liked the proposition two years ago, before the war and as a matter of fact, as a soldier, I had suggested it Today there is difficulty about steel and machinery "

"Trucks don't need all that amount of steel In four to five thousand tons, we can produce the Army's requirement of 6,000 trucks Tata and Bengal Steel Corporation have a yearly production of ten lakh tons of steel, and Bhadravati Iron & Steel Works have twenty thousand From these, anyone can easily supply our needs. If you're talking about machinery, the Chrysler Corporation has accepted the responsibility of supplying that If the factory is classified as 'war effort', the difficulty of getting dollars will disappear, and these too can be had from America Recently, five types of Chrysler trucks were sent to the Military Department, for test Chrysler's representative Trainer who was present at Chakalala during these tests, was saying that these have passed every test of the military experts. Quite apart from all this, some of their special features were found of importance It was noticed that for transporting the Army's bulky stuff, these were stronger and handier than other existing trucks. In fact, all this information has come through private channels When Delhi gives its official opinion, in fact all this will have to be admitted as true Not that it will be stated in so many words However . . . all I ask is that you would consider all my suggestions sympathetically, and give us our chance "

The Commander-in-Chief's quarters were getting close, and little time was left. Since Walchand wanted to talk to him about his steamship business, he dropped the subject of cars and turned to the other Walchand and Auchinleck must have talked for a bare ten or fifteen minutes Sir Claude had listened to everything with

attention. However, all he would promise was that on return to Delhi, he would make enquiries and communicate his views.

It was Walchand's invariable policy never to give up the pursuit of any matter until the end , he therefore decided to follow up his hurried talk with Auchinleck at Bangalore, and make the man give him some definite reply On 31 March he went to Delhi and took another interview with him At this meeting, Sir Alan Lloyd, Secretary of the Finance Department, was present at the Commander-in-Chief's suggestion The discussion went on for long The Commander-in-Chief trotted out the old difficulties Walchand made strenuous attempts in many ways to convince him that these were not so serious as he imagined, and could easily be removed by a policy of mutual understanding and co-operation from both sides—but in vain The Commander-in-Chief refused up to the last to change his view, and remained irrevocably opposed

On returning from Delhi, Walchand sent the Commander-in-Chief a long letter (April 9, 1941) in which he suggested the desirability of sending a decisive reply after reviewing the whole matter Sir Claude Auchinleck's answer (April 16, 1941) was to the following effect "Anxious as I am to assist any enterprise which will make India more self-supporting, I do not feel that I can undertake to commit the Defence Department in advance to purchase trucks from the new organization "

"It will be necessary for the factory to be established and in production before it will be possible for the Defence Department to make a contract for the supply of chassis. There are many objections to the addition of new types of motor vehicles to the Army wich has already too many If however, your new factory proves that it is capable of delivering the goods, then its claims for orders will be considered in relation to the whole demand for motor vehicles and the various other factors to be assessed "

This reply from Sir Claude Auchinleck showed Walchand one thing clearly, that unless he could influence the top Army brass with the authority to select motor vehicles and supply them, and obtain their co-operation, nothing could be effected So long as those men were against him, there was no justification for expecting that the Commander-in-Chief or Government would go out of their way to help an Indian manufacturer. And so, if this were really the case, Walchand thought that this was the line of attack he should adopt

During one stay in Bangalore, he was strolling one evening in

a public park there, when his glance caught an English gentleman whom he had met before.

"Good evening, Colonel," Walchand greeted him politely; "what brings you here today?"

"I'm on leave at the moment. Thinking of retiring very soon I'm staying in Coonoor[18] for a change of air, and I've come to Bangalore for some work."

"If you want a cool place to live in, shouldn't you live in some place like Ootacamund?"

"Living is very expensive in Ooty Can't afford it! That way, Coonoor is a much less costly place Besides, a lot of retired chaps have settled down there, so you meet old colleagues and friends, and time passes pleasantly"

"Yes, that's true too Come, let's sit for a little while on that bench over there, and have a talk"

"Right, let's go How's the world treating you? I hear you're going to open a car factory here, as well as your aircraft factory How far have you got?"

"Discussions, correspondence, meetings are the programme just now Very few jobs of this sort get done quickly And wherever Walchand's hand is seen, there are bound to be obstacles and obstructions; it just has to come to a fight So why should this business turn out any different? Come, let's take a seat here"

The two men seated themselves, and Walchand brought the fellow up to date on the story of his car factory

"Tut tut! So, what's the next move?"

"I must keep on trying, all the time If one road is closed, I have to search and open another one I have to take the help of a friend like you"

"Like *me*? What sort of help can *I* give you?"

"You can If you've a mind, you can certainly help"

"How? In what way?"

"Listen, and I'll tell you But first, tell me this: if I offer you a job to do, will you be able to spend your leave period on it?"

"I've taken leave purely and simply for rest I want to walk around and spend my time at ease, and reduce the strain of such long overwork I'm just beginning to feel some relief I don't feel happy at the idea of getting into harness again so soon. When my leave is up, I'll be able to think about it"

18 A pretty and restful spot with a cool climate, about ten miles before Ootacamund Many retired English officers live there

"Suppose I keep you in a place even cooler and nicer than Coonoor, with all conveniences, and give you a job that won't particularly tax you—then will you agree? For your services, I'll give you whatever figure you ask So, what about it?"

"But please tell me what sort of job it is. I'll think about it"

"Just now, I told you what sort of difficulties have begun to crop up at present, in regard to this car factory scheme of mine. When the Military Department does not have the sympathy we want with this work, it becomes difficult to get anywhere with it. It's in getting this sympathy that I need help. You're to fix your camp in the cool air of Simla, meet the important people in the Political Department and Defence Department, and get their sympathy for my scheme Two things are required above all; for the car factory to be classed as a 'war effort', and for permission to be given for four million dollars' exchange which I need for setting it up If we can get these two things, my road is absolutely clear So long as the War goes on, this has to be fixed, and for this I'm ready to pay you whatever remuneration you ask"

"After you've met the Commander-in-Chief so many times and written so many letters, and still got nothing, what will you get out of men with far less authority? What will they do for you?"

"You're making a mistake It happens again and again that small men in an office can pull things off better than the big shots Often *they* are the ones who pull the strings If they put in a good word, everything goes right I would say that if you can get round the M G O —The Master General of Ordanance—everything will go smoothly"

"There is something in what you say He's the man who decides what gear the Army needs and selects it If he insists that a particular thing is needed, there's never any objection from the C-in-C If we get round him, there's a chance of your winning."

"Yes, isn't it? So start on the job right away"

"Just give me a little time to think it over Besides, I have to get back to Coonoor and settle up there"

"Don't waste time in thinking it over The situation is changing from day to day People and policies are changing There's no time now for sitting and thinking, asking yourself 'Shall I? Or sha'n't I?' Every moment counts Looking after your comfort is my responsibility, and looking after my interests is your responsibility. I'll send a telegram to my Bombay office right away, to arrange for your journey"

"All right, as you wish"

This gentleman with whom Walchand was talking was the British Political Resident for Kolhapur and Deccan States, Lt Col. K. A G. Evans Gordon He was enjoying leave preparatory to retirement, at Coonoor If the business was to be done through maintaining contact with the Military Department and the Political Department, Walchand had need of the assistance of such an individual.

Col Evans Gordon went to Coonoor and immediately (July 10, 1941) left for Bombay Walchand too had returned to Bombay from Bangalore Next day, Walchand took Evans Gordon with him and went to Simla, where they stayed till the end of July Lt Col Evans Gordon called on one Sir Clement Armitage, Master of Ordnance, but the man refused to see him, turning him off with curt instructions to say whatever he had to say to his Private Secretary, a certain Major Glover The Colonel then called on Major Glover, who put him wise to the situation as follows "At present we have put a limit on the numbers of vehicles as well as their types Our Department has made a firm decision not to take more vehicles or vehicles of other makes, than what we are supplied with from Fords and General Motors There's no chance of a change of mind here All the same, if the Supply Department should say they can't supply vehicles in sufficient numbers of the present makes, and ask us to meet their needs out of any vehicles we can get from a third company, then, and then only, we would have to do that."

After hearing the above from Major Glover, Col Evans Gordon called on that Jenkins, Secretary of the Supply Department, who echoed Major Glover's words

This Evans Gordon reported both the above interviews to Walchand adding, "For the present at least, I am not hopeful of anything materializing in this business The Viceroy's Executive Council is shortly to be enlarged, and some new Indian councillors taken on it After they come, you might try again through their agency" Next day (July 26, 1941) he gave Walchand a written statement as follows:

"Following on our conversation of yesterday, I write to say that I must with regret relinquish my mission I feel compelled to do so as my experience of the past few days has convinced me that I can no longer pursue it with any prospect of success

"I thank you for the confidence that you have reposed in me

and naturally feel considerable disappointment at not having been able to be of more assistance to you

"You will recall, however, that I was not from the outset sanguine of success, and it was on these terms that I undertook the task with which you entrusted me"

The real truth was that the Government of India's Political Department did not approve of an individual like Evans Gordon interesting himself in Walchand's affair It promptly extended his service, posted him to Jodhpur, and directed him to take charge there immediately[19]

Rocks lay strewn all over Walchand's path, yet he never gave up nor sat in idle ease Neither did his efforts cease to hurl those rocks aside and open up the way

After Col Evans Gordon's departure from Simla, Walchand prolonged his stay there and began to be active on his own He called on the Master General of Ordnance and other important officials Each one gave him the same stereotyped answers Finally, he resolved to bring the matter before the British Parliament, and let his business plead its cause there There was Col Josiah Wedgwood, a Labour M P, who took great interest in the welfare of India and viewed the Freedom Movement with sympathy Walchand began to correspond with him, while trying to win the sympathy of L S Amery, who was then Secretary of State for India Next, he recounted his affair, from beginning to end, to Earl Winterton; and got him to say a few words on his behalf to Amery But little good came of it It was practically the Government of India all over again Winterton forwarded to Walchand the letter which Amery had sent him in the matter[20] After reading it, Walchand sent Winterton a letter, August 8, 1941, clearly exposing the unreal and unsound reasons put forth by Amery in his letter and revealing the inner motive of the crafty politician in Amery In one part, he said .

19 In a letter from Simla, dated July 25, to his younger brother Lalchand, Walchand writes

"Today Col Evans Gordon tells me that the Political Department have asked him to report at Jodhpur as early as possible and where he will be proceeding on Tuesday evening This, therefore, terminates his services with us and his attempt to find out the difficulties in the way of the automobile industry at Simla"

20 Amery told Winterton in his letter (May 1, 1941)

"You will, of course, agree that we cannot in present circumstances be expected to assist this development unless it is justified on account of the war There are cases in which the supply, for example, of machinery and skilled personnel to India would be detrimental to war production elsewhere, and things that are in short supply can only be sent to India if, on balance, that is going to help us to win I think that the criticism of people like Mr Walchand probably arises from failure or unwillingness to recognize this"

"If the Indian Army Department want to continue to buy non-Indian automobiles, when is India going to build automobiles in India : for all these years the Government of India did not encourage automobile manufacturing and now they put forward the excuse of War. The Government of India have already started preparing for the reconstruction (depression) period inevitable after the war : therefore India will never build automobiles

"I was pressed to proceed to America by the Congress Government of the Bombay Presidency who offered guarantee of interest on capital for a period of ten years After the Congress Government resigned, His Excellency the Governor of Bombay after some hesitation and argument agreed to follow the Congress Government, provided Simla treated the automobile manufacturing Industry as 'War Effort' He himself, therefore, about twelve months back wrote fully and strongly, as he told me, to the Government of India simply asking them whether they would treat the automobile Industry as 'War effort' The rest was purely a Provincial question viz the guarantee of interest on capital, in which the Government of India were not interested Even then the Central Government opined that they did not consider this as "War effort" I followed the Governor of Bombay's letter to Simla last year and tried to induce by discussion and argument the various Departments concerned but I did not succeed

"I thought after a lapse of about twelve months, things from various view points, have considerably altered The Lease and Lend Bill has simplified the Dollar difficulty This is admitted by Simla now The reduction in the production by America of automobiles has strengthened the necessity of having a Motor-car Manufacturing Plant in India early The Government of India misconstrued, because it suited them to term my offer as an Assembling offer Russia being attacked by Germany and Japan coming nearer India were other important factors in International War situation that should change the Government of India's attitude in my favour Great Britain has always obstructed the growth of Industry in India particularly those promoted by Indians in India in the past, but even during the war which is a struggle for life and death for them, they do not see their way to encourage this Motorcar Manufacturing Industry Having not done anything before the war and being not satisfied with the reason given to me viz. that the War is a Stonewall before me, the Government of India are busy and have announced the formation of starting of various post-war Reconstruc-

tion Committees. The net result of all this is that no new Industry would and should be started in India.

"I had tried to summarise these points in my cable to you regarding Automobile Manufacture in India and I hope it will have the desired effect and that you will be successful in inducing the Secretary of State to cable to the Government of India to treat this Industry as 'War effort' and also issue the necessary high priorities."

As he had written to Earl Winterton, Walchand wrote also to Col Josiah Wedgwood, Sorensen, Charles Ammon, Sir Stanley Reed, and other M P.s who were sympathetic towards India, asking them to put pressure on the India Office and raise his question in Parliament Consequently in the month of September (1941) at one Parliamentary session Charles Ammon, Labour M.P., suggested at question time in the House of Commons that the Government of India placed difficulties in the way of an attempt to start an Indian automobile manufacturing plant by refusing to release the necessary machinery, and provide dollars to purchase necessary material from the United States Ammon further asked whether the establishment of such industry could be used in connection with the production of war potential To this question The Secretary of State for India, L S Amery, in reply, declined to accept Ammon's statement, and added that "the resources which the establishment of an automoble industry would draw upon were fully required for the development of Indian war production." In reply to a question about such development after the war, Amery said that "there were no difficulties in the way provided they did not at this moment draw upon labour and material urgently required for the war production "

These replies of Amery's, whose superficial appearance of sincerity concealed a totally different complexion, could give no satisfaction He had adroitly side-stepped the main issue

On the publication of this Amery's reply, Walchand sent him a telegram which said ·

"Following reference your statement in the Commons I wish emphasize that my proposed automobile plant not assembly plant of components manufactured abroad but will undertake manufacture parts including engine stop also in answer your recent statement I further emphasize that my proposed factory will not divert labour from munition factories stop from my experience as employer of skilled labour on large scale I am convinced there will be no difficulty to find all necessary skilled labour for proposed automobile

plants and other factories engaged on war work stop am confident proposed factory can supply army trucks without difficulty hence urge reconsideration of this matter and request that industry be treated as War effort"

About this time, the Viceroy enlarged his Executive Council. The councillors included men like Madhavrao Aney, Sir Homi Mody, Raghavendra Rao, and Nalini Ranjan Sarkar With the object that these persons at least should do justice to his question, Walchand prepared a memorandum (August 11, 1941) which he sent them for their information. In addition, getting Jamnadas Mehta to introduce resolutions and provoke discussions at sessions of the Legislative Council as well as the Defence Council, he did his utmost to effect the desired change in Government's policy He wrote long desperate letters, clarifying his stand, to Government's Supply Department, as well as the Commerce and Industries Department, the Defence Department, and the India Office But he could not make them budge one inch. He received stereotyped replies of the familiar pattern Criticisms in Parliament, in the Indian Legislature, in the National Defence Council, by Indians and well-wishers of India, criticisms carried in the Press—to all of these, Government paid not the slightest attention, but persisted in its pig-headed attitude

Government had erected a regular stone wall of refusal in front of Walchand Still, he would not give in, but carried on the stern fight which he had begun for the establishment of his car factory. He had vowed that he would go on hammering at that wall until it should fall down.

7.

CELEBRATING THE SIXTIETH BIRTHDAY

WALCHAND'S age had reached its sixtieth milestone. On the twenty-third of November nineteen hundred and forty-two, he entered his sixty-first year. At this age, lesser people hear indistinctly the ringing of the death-knell, while others look on Year Sixty-one as just the ringing of the typewriter bell, which warns us to watch our fingers because very little space is left They've done enough scattering, they feel, and Sixty-one tells them to gather things together; and we find them talking about retiring and winding up They come to feel that when their relatives and friends celebrate their sixtieth birthday, it is celebrating their retirement from the world of affairs.

There are, however, certain individuals who are not conscious of their age, perhaps they consider age-consciousness as a sign of contrariness They cannot endure even the thought that the roaring stream of life within them may dwindle to a trickle Such persons think that their life's policy should be to go forward at a smart pace, to roll aside the obstacles in their path or find a way round them, and to march ahead with cries of defiance Their attitude is that the Law of Motion must be respected, with Time at their heels: "He who pauses, is lost" They have a firm faith that "he who runs will get strength and find the way" If anybody suggests that they should rest, retire, take it easy, they laugh it off.

Among such individuals was Walchand A gentleman from among those close to him, seeing that he was approaching sixty, once casually remarked to him, "I don't see how you get any rest in your daily schedule. You are always thinking about something or other" "I take it", replied Walchand, "that you talk like this because I'm not keeping good health just now I understand your meaning. But there are many others too, who for various reasons ask me not to do much now, and to retire. There are times when I also agree with them; I tell myself not to do anything new, but to attend to what

I already have. But in the same instant my mind also asks, if I am not to do anything, then what is the point of extending this mortal lease—that is to say, of living ?"[1]

A similar reminiscence has been recorded at one place by a friend of his from Osmanabad, Nemchand Walchand Gandhi.[2] He says, "One day I observed to Walchand, 'Working so strenuously, how do you get any rest and happiness ? Don't you think it's right for you to do a bit less and enjoy a little ease ?' He promptly replied, 'I shall never enjoy sitting idle Providing a livelihood for thousands of people will earn me more merit than just sitting at home repeating the name of God Now I shall positively enter the seventeenth heaven[3] And I'll take the contract for building the heavenly mansions, and build them all beautiful as I choose !"

Atmaram Raoji Bhat of Poona gives the following reminiscence of the same nature "It was the month of May 1941 A deputation of the Indian Languages Newspapers Association had gone to Simla, to meet the then Supply Member of the Viceroy's Executive Council, the Honourable Sir Ramaswamy Mudaliar, and acquaint him with the newspapers' difficulties as regards supply of newsprint. I was a member of the deputation Probably it must have been Tuesday the 20th I was walking along the Mall in the evening by myself, when I heard a voice behind me hailing 'Hullo, Bhat !' I turned to look, and saw Walchand coming in a rickshaw, and raising his hand as a signal for me to stop I stopped Walchand came up to me and alighted from his riskshaw, and we began to stroll along the Mall Walchandbhai treated all alike, small or great, poor or rich, which made it possible for one to chat freely with him on all occasions As we talked, I happened to ask him, 'Walchandbhai, how old are you ? He answered, "Why do you ask ? This is may 59th year Maybe, my young friend, you think I'm growing into an old man ; but you're not going to carry me on your shoulders to Onkareshwar[4] until I see ships, planes and cars getting built in India !' "[5]

Walchand had made his independent debut into industry in his twenty-fourth year He had toiled for just over three and a half decades, and was not yet satisfied. His efforts went on unflagging, winning success on one field after another, and daring to win it on

1 D V Kelkar *Vaibhav* (July 1953) Special Issue p 29
2 Nemchand Walchand Gandhi *Walchand Guna-Gaurav Granth* (Manuscript), p 13
3 The Jain scriptures tell of sixteen heavens
4 A well-known cremation ground in Poona
5 A memoir written and sent on July 7, 1959 by A R Bhat

ever new fields. The normal indirect Stop signal of a ceremony like the Sixtieth Birthday ceremony, would not be likely to appeal to his abnormally mobile mind The felicitation part of it ("May he see a hundred autumns") could never attract him He wanted his hundred to be *working* years, not *shirking* years. For him there was no point in reaching the century unless brain and body were occupied, right up to the last, in some profitable activity or other. And to this effect was the purport of the question which his lips so often framed "What is the sense in going on paying rent for a house that you never use ?"

According to public standard, though Walchand seemed to stand on the threshold of Old Age, he would not yield to its rule over him Writing of this, a friend of his once said: "Although his age is advanced, he does not wish to become aged, he is not willing to abandon the youth of his mind He is ever at pains to preserve a freshness in his thinking His nature has lost not one jot of its sparkle and enthusiasm His tendency to climb ever new mountains is still unsubdued That it should ever so remain, and play its part in the industrial expansion of India, must be the abiding wish of all who care for him"

Walchand s business career had begun (1904) with the contract to build a railway By 1942, his manifold activities had invaded all three elements—land, sea and air And in the course of these activities he had engaged more than five thousand highly trained mechanics, technicians, supervisors and clerks, and more than two lakhs of labourers Armed with the capital of ten thousand rupees which his uncle had given him, he had launched upon his business, spreading its net in three and a half decades over India, Ceylon and Burma, with a capital of more than six crores

An industrialist with such a record of performance naturally inspires his friends, colleagues and employees with feelings of respect, pride, admiration and gratitude So thoughts of expressing their gratitude to their friend, benefactor and master sprang in their minds, and they decided to seize the opportunity of the sixtieth birthday of Walchand as the suitable occasion for paying their homage to him. In view of the atmosphere filled with anxiety and discontent in the country, he did not feel inclined to consent to such a felicitation ceremony But when the leaders persisted he acceded to their requests on condition that they would keep the nature of the ceremony strictly private and not public Having obtained his consent they formed a committee under the Chairmanship of S C

Banerjee, Chief Manager of Walchand's group of industries. The conveners, then, started making preparations with boundless joy and enthusiasm.

This ceremony was to be principally on behalf of the twelve industrial companies which were then working under Walchand's captaincy On the opening of Walchand's sixty-first year, the Committee decided to offer him a purse of four lakhs, a commemoration volume in English recounting his life and the history of his industry, as well as a hand-written Marathi collection, entitled *Guna-Gaurav Grantha*, of recollections by his colleagues, friends and employees, and an article appreciating his qualities To raise the sum required for the purse, it was decided that employees of all grades in Walchand's companies should each voluntarily contribute one month's salary Suggestions were invited as to the manner in which the amount of this purse should be utilized These would be considered, and further arrangements made according to whatever wishes Walchand might express

The auspicious dawn of Walchand's birthday broke on November 23, 1942 The Diamond Jubilee Celebration Committee had previously arranged to celebrate the day with a display of handicrafts, games of various kinds, a musical concert, a dramatic performance, and other programmes However, in this year Gandhiji had launched his "Quit India" movement with the slogan "Do or Die", this, with the incarceration by the British Government (August 1942) of practically all the outstanding leaders in the country along with him, had created a stormy situation, and unrest and discontent were rife on all sides In view of this, Walchand suggested to the Jubilee Committee that the entertainments might be given up and the programme curtailed The programme was cancelled to that extent, and was to be confined only to the offering of the Commemoration Volume and the purse For this function a pavilion decorated with creepers and flowers was erected on the spacious terrace of Kanti Mahal at Tejukaya Park on Vincent Road, Matunga, Bombay.

The day, Monday The time, half past five of the clock in the evening. Invitations had been restricted—yet even so, the pavilion was overflowing with Walchand's well-wishers After welcoming him in suitable terms, Shivchandra Banerjee offered him the Commemoration Volume and the Marathi *Guna-Gaurav Grantha* in a golden casket, at the same time placing in his hands a purse containing four lakhs, eleven thousand, one hundred and eleven rupees While thanking the assemblage, Walchand announced that the sum

contained in the purse would be devoted to strengthening the parent organisation Premier Construction Company Ltd., for the benefit of those persons whose toil and unswerving devotion had made such a mighty industrial organization possible[6]

This ceremony held by the personnel of Walchand's group of companies was followed by felicitations from the Scindia Company and its associates (24 November), the Scindia Company's Managing Board (3 December), the employees at Walchandnagar and the farmers of the surrounding villages (5 December) and the Maharashtra Chamber of Commerce (18 December). At all these different functions he recounted the story of his own efforts for the establishment and prosperity of national industries, and the experiences which had fallen to him, and also freely gave his views upon what steps should be taken for the future by himself and his fellow citizens The sentiments of respect and gratitude expressed by his friends, colleagues and employees, as they appreciated the historic nature of his achievements, filled his heart with a natural satisfaction In particular, he derived the greatest satisfaction of all from the spontaneous sentiments expressed, as they presented

6 A subsequent amount of Rs 37,497-0-6 raised the total to Rs 4,48 608-0-6 On May 31, 1943 Walchand executed a Deed in respect of this sum which appointed himself, Ratanchand Hirachand Shivchandra Banerjee and Bhalchandra Daji Sardesai as Trustees and placed the sum in their hands The trustees invested it in the purchase of the shares of the Premier Construction Company Ltd, and from the interest that would thereafter accrue from year to year, it was resolved to make charitable payments for the following objects

(1) to grant scholarships to deserving students studying in the engineering, agricultural, science or technical colleges or institutions in India or for studies of the above nature abroad,

(2) to arrange for medical reliefs of the nature and kind such as starting maternity homes, pre-natal clinics, free and charitable medical dispensaries for the benefit of the poor and needy people,

(3) to give monetary help to the poor and needy persons either free or on such terms and conditions as the Trustees may deem expedient

(4) to provide relief to the poor and distressed in time of famine, cyclone, floods earthquake or other unavoidable mishaps

The amount of interest was to accumulate for eighteen years according to a clause in the Trust Deed, and thereafter be utilized from year to year in furtherance of the above objects Under this clause, the Company's employees began to get assistance from the Fund from the year 1961 when the 18 years were up An idea of the sums spent out of this fund will be obtained from the following figures

Year	*Amount spent in charity*
1961	Rs 16,537 00
1962	Rs 44 036 00
1963	Rs 74,371 00
1964	Rs 70,389 00
1965	Rs 82 845 00
1966	Rs 1,05,711 00

Today the Fund's Trustees are (1) Ratanchand Hirachand, (2) Bahubali Gulabchand, (3) R G Gandhi, (4) M G Madge, (5) A V Gharpure

This Trust is known as Walchand Diamond Jubilee Trust

their address of honour, by the farmers of Walchandnagar's adjoining hamlets—Kalamb, Ranmodwadi, Nimsakhar, Lasurne, Haturne, Ekshiv, Kurbavi, Pirale, Morochi, Kalambuli, Dahigaon, Gursale, and others. When he beheld the straight answer given by these farmers to those critics, who circulated the deliberate evil report that "Walchand has taken advantage of the helplessness of the poor, to get hold of their lands and make copious profits", he felt that his course had been justified.

In their address of honour, the farmers had said. "When our noble Seth laid the foundation of his factory here, we farmers had no notion that the coming of the factory would benefit us If we see anything new, we ignorant folk are accustomed to resist it To the farmer, nothing else is so dear as his land ; and when our former General Manager Seth Amichand Daluchand, and our present General Supervisor Shivlal Kevalchand, began to rent and purchase land in huge quantities, we felt that now the factory would swallow our beloved lands and leave us bereft amidst the pangs of hunger This misconception provoked our displeasure towards the Company

"However, with the passage of time, experience showed us our error Acquaintance taught us for sure that instead of coming to despoil us, the Company has come to benefit us like a Wishing Tree Thanks to the opening of the factory here by the Company, we have come in contact with our kind Seth Walchand Hirachand, and formed an idea of his remarkable character and generous heart, and this we count as our great good fortune

"None can deny that we are poor and wretched farmers, without a copper piece to our name We toil year in, year out, to die at last in debt, and the legacy of our debt is carried on by our children The land is, no doubt, the milch cow which gives us food, and yet, when we have no strength to nourish this mother, how shall she live, and what shall she give us ? We have no money to manure the land, to work it, often it must lie fallow for want of seed, or debt must be incurred for seed and the money-lender given a share of the crop to come With belly half empty, thus, what labour can we do ? Had the Company not come, we should have remained thus, from generation to generation, poor, half-starved, crushed by debt The land would never have improved, nor its yield increased The Company has taken our lands at a fair rental, over and above this, it has paid some of us five or seven years' rent in advance, and helped to pay off our debts Before the factory came, what with arrears of canal water rates, land revenue charges, dues to the co-

operative store and the money-lender, and the rest, the farmers round about were indebted to the tune of seventeen to eighteen thousand rupees With the Company's help, almost all of that is paid off Besides, many of us have obtained work with the Company, and added to our income Year by year the lands have got, and are getting, better, with the spreading of ample manure, ploughing by tractor, and removal of slit Much barren land has been made fit for sowing, and the land's yield has been increased In this way, we rest assured that the Company has benefited us, and will continue so to do hereafter.

"For the Company's generous policy towards the farmers, and the good it has done to them, kind Seth Walchand's labours, his policy and his solicitude for the poor, are principally responsible We naturally were all eager to know the great man who had done so much for our welfare When we made enquiry, we found that he is far greater than we supposed. It is not we alone who have tasted his benefits, to every person in the country he has, directly or indirectly, done good Every person in the country, on the happy occasion of his sixtieth birthday, must infallibly pay him honour and wish him long life and success"

This address of honour is written in Marathi by one of the farmers, in his own hand, on six sheets of plain foolscap paper, and is followed by 62 farmers' signatures There is no wonder that Walchand should have valued and been proud of this plain unvarnished tribute of respect from the farmers, many times more than an address printed on silk or muslin and presented in a golden casket or a box of gold He gave the strictest orders for it to be carefully preserved among his records It gave Walchand especial pleasure to call himself a farmer, whose occupation he regarded with pride It was this pride which was at the root of his many and imposing plans, in the face of financial losses year after year, and of the ridicule of critics, for the industrialization and uplift of agriculture.

The honour paid on his sixtieth birthday was less the honour paid to an individual than to the achievements of his hands, it was his countrymen's inspiring message, "Achieve thou thus ever more and more, for the uprising of thy country" And that was the message of his own heart also.

8.

BUREAUCRACY PUTS EVEN THE AMERICANS IN ITS POCKET

THE earliest champion of the idea of starting an automobile industry in India was Sir Mokshagundam Visveswarayya. In order to see his idea bear fruit and give birth to an important industry, he was continually pushing it forward from 1934, by encouraging and pointing the way to Walchand, Dharamsey Khatau, Tulsidas Kilachand and other capitalists. For himself he had no desire to enter the industry, but wanted Indian capitalists to enter it and help to make the country prosperous. Next to steel production, as he always thought and proclaimed, the car production industry was one of outstanding importance and support. He insisted that the Government of India must give encouragement and protection to the activity of the steel industry, and make it grow. Just like Walchand, he had carried on a correspondence with Government on this topic since 1936. And he received the same type of replies as Government was giving Walchand. His last letter on this topic was sent (February 9, 1942) to the Private Secretary to the Viceroy. In this he had said: "I regret that the promoters of the automobile scheme view the question in a different light. They feel strongly that the attitude taken up by Government in this matter has been unusual and against the interests of India.

"I have been working for this industry since 1934-35. A large number of persons both in British India and Indian States are interested and have made offers of help. They have associated me with this question on account of the interest I have so long been taking in it, and it is important that they should know why my colleagues and I have failed. Unless the correspondence is published, the public will get no clear idea of the efforts the promoters have made, and the attitude the Government have taken up all along to the appeals made to them for co-operation and help.

"So far as I am concerned, I have always regarded the auto-

mobile as a basic industry of vast importance next only to steel, and no work done by me in connection with it was for personal benefit as distinguished from public interest.

"I had no intention of publishing the correspondence unless all hope of help from Government was abandoned Since that stage is now reached, the publication is vital and inevitable."

As he had notified Government in the above letter, in February 1942 Sir M Visveswarayya printed a pamphlet entitled "Indian Automobile Factory Scheme · Government of India's Obstructive Attitude", and published the whole of his correspondence with Government from 1936 to 1942

A month before the publication of this pamphlet (January 7) Jawaharlal Nehru had taken the Government of India severely to task in an article headed "Apathy to Indian Motor Industry". When Walchand had asked permission to open a motor vehicle factory, this was refused on the ground that if it were given, the supply of labour needed for making munitions of war would be diverted to the factory, which would have an adverse effect on war munitions production. Yet at the very same time, Government was willing to give permission to an American company to open a factory in Sind, where it assembled motor vehicles out of component parts imported from America When Walchand brought this fact to Jawaharlal Nehru's notice, he became annoyed at this behaviour of Government, and immediately berated Government in the article mentioned above He wrote:

"Larger issues before us in India overshadow many other important matters Nevertheless, these other matters must not be ignored and indeed they throw light on larger issues also

"The attitude of the British Government towards the Indian industry even during these vital years has been most astonishing There is a lot of talk of the development of war industries and others but when one compares the development in India with the development in other countries, it becomes obvious how little has been done in India. Even vital needs of war are not enough to overcome hostility of British interests towards the Indian Industrial development.

"The Eastern Group Conference still apparently thinks in terms of India chiefly supplying raw material and agricultural products and big industries concentrated in other countries. Probably, the most remarkable instance of the Government of India's attitude is the Automobile Industry. The reasons advanced are the most puerile

imaginable. For years past, efforts had been made by the Indian industrialists to start the motor industry in India At last everything was settled, contracts were made, capital was forthcoming and all that was necessary was Government's consent. One would have thought that under the stress of war requirements, any government would have welcomed the development Not so the British Government in India It is stated they were influenced by vested interests of the American motor-car industry, who did not want India to develop her own automobile industry

"Now it appears that the American authorities are starting some kind of motor plant somewhere in Sind Objections previously raised as to the diversion of labour, etc, become now still more absurd The whole thing is a fantastic illustration of the hold of foreign vested interests on the Government and their incompetence from a larger point of view not only of Indian but even of the British requirements Another significant feature is the growth of American vested interests in India. In spite of all these perils and disasters of war, the British policy is still clinging to its old methods of co-operation The only answer can be that before we think of co-operation, they will have to think of 'pack up and go' "

Just like Nehru, the Finance Minister of the former Kher Cabinet, Anna Babaji Latthe, published a statement in which he observed . "The Press Note issued (January 30, 1942) by the Government of India contradicting Pandit Nehru and justifying the Government's attitude towards the attempt to start an automobile factory in this Province is guilty of a deliberate desire to mislead the public It says that there was no question of the Government of India's consent to this attempt, that what the promoters asked for was a guarantee of interest on invested capital, that Government was prepared to give the necessary assurances regarding levy of import duties, and that the Government of Bombay could not, after the outbreak of the war, confirm the previous offer unless the scheme could be described as a War Effort These statements are intended to create the impression that the attitude of the Government of India was never unhelpful. With this in view the Press Note has cleverly mixed up what happened when the Congress was in office in Bombay and what may have taken place after its resignation So far as the facts of the case prior to the resignation of the Ministry are concerned, I am definitely of opinion that the scheme approved by the Ministry and agreed to by the promoters of the Scheme could not materialise only because the Government of India

was not then prepared to give a simple assurance that the import duties on motor cars would not be reduced for a period of ten years or so. The Bombay Ministry agreed to guarantee interest for ten years on conditions which were acceptable to the promoters of the scheme The only condition laid down by the Ministry which could not be fulfilled was in respect of the assurances asked for from the Government of India. There was then no question as to whether the scheme was a war effort or not There was then no war at all The scheme could make no further progress then only because the Government of India would give no assurances whatever regarding import duties, etc The Bombay Ministry did its best to persuade the Government of India to give the assurances and at one time we all hoped that the Viceroy would evince his sympathy with the scheme by conceding the request made For reasons best known to themselves, the Government of India killed the scheme before the outbreak of the War although the Bombay Government with the Congress in office was ready to guarantee interest for ten years and give other facilities. I cannot say what the motive of the Government of India may have been. But the refusal to give assurances which any national Government would have most willingly and readily given is clear enough and the public can legitimately draw their own inferences regarding those motives

"Having killed the scheme in this way prior to the outbreak of the war and before difficulties regarding shipping facilities and so on arise, the Government of India seem to have found a new excuse for dealing similarly with the revised attempt to start the factory, namely, that it was not a war effort The only question which the Government of India must answer is whether or not they declined to give assurances regarding the continuation of the existing import duties for ten years or if so, why did they refuse when there was no question of the war creating any difficulties"

After Sir M Visveswarayya, Nehru and Latthe had thrown a flood of light on the Government of India's policy and conduct, Walchand felt that it would be good for a Congress leader like Sardar Vallabhbhai Patel to publish a paper giving support to this matter of a car manufacturing scheme, and refuting Government's policy He made a suggestion to him to this effect[1] and sent him a memorandum of certain points Sardar Patel was then staying at Hajira on the coast near Surat for recouping his health. In his reply to Walchand he wrote · "Is it any use flogging a dead horse?

1 Walchand's letter to Sardar Vallabhbhai Patel, dated February 17, 1942

What is the use of criticizing a decaying Power which is incapable of doing anything good and which is on its last legs? I feel that looking to events that are happening in the world, sense of proportion requires that this matter should now be left where it is."[2] By this letter the Sardar was advising Walchand that the British power was drawing near its last gasp and had but a few days left, with a certainty of its early departure from India. With its passing, they would become masters in their own house, after which they could make whatever arrangements they pleased. They should exercise forbearance for a little while.

Despite the Sardar's advice to exercise forbearance for a little while, Walchand's temperament, with its disposition to go on and on until he had finished a job which he had undertaken, gave him little respite.

In the month of March Roosevelt, American President, sent one Col Louis Johnson, his personal political emissary, to India accompanied by four industrial and technological experts—Dr Henry Grady, Arthur Harrington, Harry Bester, and Dyark Dekker This team of emissaries is known as the "American Technical Mission" or the "Grady Commission".[3] President Roosevelt had charged the team of emissaries with the task of ascertaining the Government of India's difficulties in matters of war production, and making recommendations to him as to what measures should be taken in order to increase it to a very marked extent. All members of the team were guests of Government Although their visit had been officially announced, the purpose of their visit had not been made equally clear. Government's attitude appeared to be to let the public draw its own conclusions from the name. Government must have felt that the less contact these American emissaries had with men in the field of Indian industry, the better.

Sir M. Visveswarayya, who had a clear idea of this attitude, issued the following statement under the caption: *'American Technical Mission and Indian Industries'*:

"The deputation to India of Sir Stafford Cripps by the British War Cabinet and the visit of the American Technical Mission to this country are contemporary and complementary events focussing from different angles the importance of Indian co-operation for the country's defence. Indian political parties wanted an Indian Minister

2 Sardar Vallabhbhai's letter to Walchand, dated February 26, 1942

3 Dr Henry Grady headed this Commission, when Col Louis Johnson, after a short stay, left India for America

to share with the British Military Authorities the responsibility for the control of war operations with a view to enlist the sympathies of the Indian public. Similarly, Indian businessmen have long been urging that they should be allowed and encouraged to manufacture the equipment that our armies need so that the vast sums of the taxpayers' money which are being spent abroad for the purchase of armaments, trucks, aeroplanes, ships, and other war material, might be expended within the country itself for the benefit of the business public and workmen of India. Now that it has been stated in the Press that the American experts have offered to procure machine tools, machinery and financial and technical assistance from their country for starting in India industries essential to the war effort and that the officers of the Supply Department present at New Delhi meetings seemed agreeable to such an arrangement, the public expect the Government of India to state frankly and unequivocally whether even at this last hour they are inclined to remodel their policies to meet, to the limited extent now possible, the country's desire and expectation to supply some of the heavy war material from Indian sources

"In Steel, the Automobile and ship-building industries, India's contribution could have been immense if only the Government had decided, even at the beginning of the war, that India should rise above its old role of a primary producer and mobilize her resources for industrial expansion The output of the Indian steel industry (at present 1¼ million tons a year) could have been quadrupled by now because if Australia, starting its steel production only after the last War, could now produce about two million tons a year, the Indian steel industry established thirty years ago might easily, under war stimulus, have developed twice or thrice the Australian output

"In this connection, it was recently disclosed that instead of increasing the production of pig-iron and steel, some quantities of pig-iron were allowed to be exported to the United Kingdom to be converted there into steel and got back to India in spite of freight risks; and that it was only the pre-occupation of English factories and the closing of the Mediterranean route that persuaded the Indian Railway Board to place some new orders with the Tatas Otherwise, there has been no effort made, no suggestion considered, no action taken by Government, that even as a war measure the production of steel in India should be increased. This wrong attitude or decision is to be highly deplored as it is known that relatively to Germany

and the countries at present controlled by her, the British Empire is very short of iron-ore and steel-making capacity

"In the matter of the ship-building industry also the Government grievously failed to move with all the promptitude required of them in regard to building or allowing ships to be built in India. On the other hand, they decided that ships should be built in Australia for India. All that the Indian public was treated to was the news that on the completion of the first ship, the Viceroy of India cabled congratulations to the Australian ship-builders.

"Six years ago, the promoters of the Indian automobile industry emphasized that automobile production was both a necessity in the country's national economy and a thoroughly practical business proposition Though this enterprise had, and still has, the support of British India and the States, the Government have persistently discouraged the project. Their explanations for withholding their support varied from stage to stage—that Government rules did not permit aid to such enterprises, that in war time in this country (of nearly 400 million population) the requisite number of workmen were not available, that the industry itself was likely to come in the way of war production, and others in the same strain But, while all these explanations were being given to the promoters of the scheme, the Government has been deciding to place orders with foreign manufacturers of the value of about Rs 50 crores for trucks and other mechanized motor equipments

"All this is a thrice-told tale how in India, as a contrast to the United States, Canada and Australia, private industrial enterprise is discouraged by the Government Indeed, the impression in the country is that since the Eastern Group Conference was set up at New Delhi, the control and discouragement of the heavy industries have become closer and more rigid

"War is both a crisis and an opportunity for industrial expansion; and if the Government wish to afford India relief even at this late hour from her industrial stagnation, and remove the nervousness of her leading business men that the country is unprotected in this respect, and that so heavily, the Government might act quickly and seize the present opportunity afforded by the visit of the American Technical Mission to help the country in the desired direction.

"Our American visitors must no doubt have noticed how despite its immense possibilities for war production, India's war output in large-scale heavy industries is insignificant compared with countries

like Canada and Australia whose population is less than 3 per cent of India. This is due to the fact that since the beginning of the war the Government have made no attempt to mobilize Indian business enterprise for co-ordinated war effort by placing their orders for heavy mechanized equipment with Indian firms. Our industrial leaders were never even called into consultation by the Government before deciding their plans for heavy war material. The very American example shows that war production drive is more easily managed by industrialists and manufacturers than by Government Departments But that is not the India Government way

"Any necessary adjustments in the above direction will be possible by the Government declaring authoritatively that without reservations of any kind, representative Indians in commerce and finance will be taken into their confidence and also that they will refrain from making pronouncements tending to create in the Indian mind any distrust of the Government's real desire for the advancement of Indian industries For instance, about a month ago, His Excellency the Viceroy at the opening of the Food Drive Conference in New Delhi considered it necessary to emphasize that 'India is, and for a long time yet, is likely to be, mainly an agricultural country and her prosperity will greatly depend on the care and forethought which she devotes to her major industry.'

"The country has been allowed to be overwhelmingly agricultural far too long , the proportion of the population dependent on agriculture today being nearly 70 per cent, a proportion maintained in the United States of America nearly a hundred years ago No agricultural country has grown rich ; and indeed, prosperity in Western countries means a progressive reduction in the agricultural population In the United States, the proportion has come down to about 22 per cent, while India remains where the United States was a hundred years ago.

"Evidently, official ideas of national economics need drastic revision and there ought to come to stay in the counsels of the Government the conviction that India, in order to arrest the enfeeblement and ruin of her vast population, has to emulate countries like America, Canada and Australia, by recognizing that the establishment of rural and minor subsistence industries, larger use of power, mass production methods, and improved transport facilities, are all fundamental for a large and thickly populated country like ours in a world of competition and strife. An increasing standard of life is

only possible through an expansion of the total production of goods of all kinds.

"In these circumstances, the natural expectation is that the Government will allow a few selected heavy industries to be started forthwith by the Indian business men, and to this end will place their war orders for the products of such industries and arrange for obtaining the necessary machinery, machine tools and technical help from the American Mission The control of this special development should, if possible, be placed with a trusted Member of the Viceroy's Cabinet in close touch with Indian business conditions, assisted by a responsible advisory committee of three or four popular Indian industrialists chosen by various national chambers of commerce."

With the American Technical Mission's arrival in Delhi, Indian industrialists began moves to find out its purpose And in due course Ghanshyamdas Birla for one met Col. Louis Johnson in person (April 13) From his talk with him, it appeared to Ghanshyamdas that the team of emissaries wished to meet some leading Indian industrialists privately, and form an estimate of the nature and extent of the assistance which America could give India, in order to enlarge the industries in India which were helpful for the War Ghanshyamdas gave Col Louis Johnson the best idea he could, in brief, of the current industrial set-up More particularly, he gave him a full account of the scheme by the Chrysler Corporation and Walchand for manufacturing motor vehicles, and of the consequent happenings After hearing this, he expressed a wish for a meeting between Walchand and himself Remarking that it would be good, just like Walchand, to meet a few other industrialists, Ghanshyamdas gave Col Johnson a few names Finding his suggestion accepted, he reported his meeting with Col Johnson to Gaganvihari Mehta, recently elected as that year's President of the Federation of Indian Chambers of Commerce and Industry, and suggested that he should write to Walchand to set out for Delhi Gaganvihari Mehta accordingly sent a letter (April 15, 1942) saying that Walchand would shortly receive an invitation from Col Johnson, and should be in readiness to leave for Delhi; he also informed him about his talk with Ghanshyamdas Birla.

Walchand was actually waiting for an opportunity of this sort Three days later, he received an official invitation to come and meet the American Technical Mission on April 24, from Sir Homi Mody, member of the Viceroy's new Executive Council, and in charge of

the Supply Department. In addition to Walchand, Sir Homi had sent invitations to Badridas Goenka from Calcutta and Sir Rahimtoola Chinoy from Bombay These parties were to meet the Mission, for the first day, at his own residence

As soon as Walchand learned that the American Technical Mission wished to discuss with him about industry, he resolved to agitate the question of motor vehicle manufacture before them, and form an estimate of how far there was a chance of the American Government being willing to remove his difficulties. In case he should learn from them that the American Government's attitude would continue one of co-operation, he was quite determined to revive the attempt to set up a factory either in Mysore or Bombay. He sent a telegram of enquiry (April 20, 1942) to Venkatnaranappa, Head of the Bhadravati Iron and Steel Works, as follows:

"Please phone me 41877 tonight or tomorrow morning or night regarding Motor Car Industry stop consider probable American Mission reviewing situation also agreeable my starting Automobile Factory stop proceeding Delhi Wednesday night to discuss with American Mission stop if Mysore State not prepared to find about two crores am considering housing Factory near Bombay stop Financial market here very depressed no hopes therefore of finding underwriters or finance stop discuss whole situation with Dewan[4] stop if unable get phone wire me care Hincon—Bombay "

Next day he sent a second telegram to Venkatnaranappa, saying "Follows continuation yesterday's telegram Primary condition with American Mission would be declaration Automobile Industry as War effort and all priorities available discuss with Dewan on this basis stop no trunk call received from you till now."

Venkatnaranappa replied, "Your telegram does not contain details I feel it better to approach Mysore Government after you obtain definite information at Delhi and formulate at least a rough outline Kindly keep me informed "

Just as with the Government of Mysore, Walchand decided to form an estimate of the policy of the Bombay Government also, in the context of the fresh situation. On 22 April he called on the Governor. He put him the question whether there was a possibility of honouring the previous assurance to guarantee interest on a capital of two and one quarter crores, in case the Technical Mission should say that they would help to remove future difficulties in

4 Sir Mirza Ismail had resigned and a new Dewan, an experienced Court official N Madhav Rao was appointed by the Maharaja

the way of getting machinery stocks from the American Government, and told him how K. T. Keller, President of the Chrysler Corporation, had cabled Harrington, technical adviser to the Mission, asking whether they should commence work according to the project of building motor vehicles in India, and how he had advised Davis, their local representative, to meet the members of the Mission and tell them the whole prior history of the project. Now that the Mission had called him on 24th to meet them in Delhi, he cherished the hope that there was a chance of a favourable wind blowing, as regards the project of manufacturing motor vehicles.

"Yes," the Governor assured him in tones of sympathy, "that can happen. And the Mission will also give you some of the facilities you want As regards the question you asked about guaranteeing interest, since it will be necessary to go into a great many details, it will not be possible for me to say anything just now At the same time, whatever help I can give you for starting this industry of yours in Bombay as quickly as possible I shall give" In the Governor's words Walchand sensed feelings of care and warm sympathy, which made him begin to hope that he would be glad to give the guarantee for interest [5]

On going to Delhi, instead of putting up as usual at the Imperial Hotel, Walchand put up at Ghanshyamdas Birla's He wanted to acquaint himself quietly with Ghanshyamdas's opinion of the American Technical Mission, and with his reactions to Col Louis Johnson after having conversed with him

At about the time when the American Technical Mission reached Delhi (March 22, 1942) Sir Stafford Cripps' mission had come, with a draft of Dominion Self-Government, in order to hold talks with Indian leaders on behalf of the British Cabinet A new commotion had broken out in the atmosphere of India, especially of Delhi, where there was a coming and going of prominent Indian leaders. One felt as it were a whirlwind of talks, meetings, discussions, interviews All eyes in India were turned at that time on Delhi Meanwhile, the talks between Cripps and Indian leaders of different parties reached a pitch where everybody began to think that India would very soon be self-governing; but very soon the talks broke down, and a wave of disappointment engulfed the country. The Plan which had been framed in the expectation that it would please all parties, did not please a single party in India It was therefore

5 Minutes of the interview of Mr Walchand Hirachand with the Governor of Bombay at one o'clock on April 22, 1942

announced that the intervention had failed, and on April 12, 1942 Sir Stafford Cripps went back to England.

The avalanche of War has now turned in the direction of India. On March 8, Japanese forces entered Rangoon. From that point, the torrent began to roll Indiawards. The rabble of British soldiery was breaking on every side. None could say at what moment the Japanese armies would begin to hammer at the gates of India. And still the triumvirate—Churchill, Amery, Linlithgow—were under a delusion of their strength

All the above happenings created in the people of India a lack of confidence in the British power, and a profound contempt for it. The mood of non-co-operation grew stronger. Such was the atmosphere of India when the American Technical Mission arrived It was naturally an object of suspicion, whether to the political leaders or the leaders in the field of industry.

Before Walchand reached Delhi, Davis, the Chrysler Corporation's representative who was in Bombay, had at Keller's[6] suggestion called on the American Technical Mission's leader Col. Louis Johnson and its technical adviser Harrington He told them the story of the negotiations between the Chrysler Corporation and Walchand, and gave them Sir M Visvesvarayya's published pamphlet on the correspondence with Government regarding the car factory project He also explained to them the background to this correspondence. Consequently, when Walchand met Louis Johnson or Harrington, without having to spend time giving them the past history of the project, he found it easy to come straight to the main issues

As already settled, Walchand met all the members of the Mission at Sir Homi Mody's residence. That day, little was achieved beyond getting to know each other Next day, Friday, between 10 a m. and 2 p m Walchand had a private talk on the principal matters for some time with Col. Johnson, and for nearly four hours with Harrington. In the evening, Gangavihari Mehta gave a dinner to the members of the Mission on behalf of the Federation of Indian Chambers of Commerce and Industry, at which Walchand and some members of the Federation's Council were present. This was marked by a general discussion of the industrial situation. Dinner over, the whole party adjourned to Sir Homi Mody's residence, where they were joined by Jehangir Tata, Sir Ardeshir Dalal, Sir

6 President of the Chrysler Corporation

J. P. Srivastava, Ghanshyamdas Birla, and Kasturbhai Lalbhai. The discussion centred chiefly on the particular question of how to increase the tempo of turning out materials necessary for urgent War production. The industrialists assured the Mission in no uncertain terms that today's out-turn could be increased 250%, but that this would require the backing of the whole Indian people, who must at least be convinced that the present war was in reality a people's war; and that in default of their co-operation, all the industrialists' wishes would be powerless to achieve anything.

On Saturday Walchand went to meet Harrington on his own He engineered this opportunity of a special meeting on the suggestion of Col. Louis Johnson. Harrington, he had said, was a very highly paid top executive of Messrs Marmion Harrington in America, and was President of the Automobile Industries Technical Association, with considerable influence in the industrial field Col Johnson felt that it would be still better for Walchand to talk to this man about his problems

Davis of the Chrysler Corporation had already conveyed to Harrington precise information concerning Walchand's motor vehicle manufacturing project Besides, Walchand's friend Prof. K. T. Shah, who had been called to Delhi in March by Jawaharlal Nehru for the purpose of the Cripps Mission, had met Col Johnson and mentioned to him the matters of Walchand's shipping business and motor vehicle manufacturing project On that occasion, Harrington being present, both men had expressed a wish that they might meet Walchand At that period Prof. K T Shah was staying with Walchand at Matheran On return from Delhi, he recounted this meeting of his to Walchand This made Walchand think that Louis Johnson and Harrington would prove helpful to him, and with this hope he went to Delhi.

When he met Harrington on Saturday (April 26) Walchand opened the topic of the car factory.

"Mr. Harrington, while you were talking the other day, you said that you did not want to waste time in talking of this and that to no purpose, and that you wanted to consider business features of urgent industrial matters. Recollecting this, I have come to talk to you about an urgent industrial matter."

"Suits me Go ahead."

"Motor vehicle manufacture—especially truck manufacture—is a vital necessity today To supply this, I want to open a factory at once. Your Technical Mission should immediately proclaim that

this production is a 'War effort', and should arrange to secure prior import rights for the stocks of materials which it will require, and other concessions."

"We can handle that. But there are lots of difficulties. Right now, there's a big shortage of tramp steamers, and most steamers are locked up in the job of carrying war stores. And on the few that are free, it's become a problem to get space."

"If that's the only difficulty," replied Walchand promptly, "I'm sending a steamer from the Scindia Company; it'll bring the stocks we need for my factory from there"

"Even when you fix that," objected Harrington, "after the factory goes up it'll take a while for your trucks to be ready for the war We aren't all that eager to help projects like that. We just want to take a look at propositions that can get producing right away—if not sooner."

"Lately, as I'm told, America has cut down her motor vehicle production. But the Government of India wants trucks for the war very urgently indeed. I will be able to build eleven thousand trucks a year in my factory."

"Trucks production in America has not dropped to the extent you figure. You say you can build eleven thousand trucks in one year. But today America's building eleven thousand trucks in *one week*" With these words, Harrington changed the subject and began to talk about the overall production of war supplies in India, which appeared to inspire him with profound dissatisfaction

This drew a reply from Walchand. "In India today there are ten to twelve engineering workshops. If these are given ample stocks of machinery, everything else needed for the War can be made and supplied I have two factories under me[7] At present they are feeling the lack of machinery keenly If you can remedy this, I'll be able to show you any amount of increase in production." But Harrington appeared to be in no mood to give any encouragement in this matter.

The personnel of the American Technical Mission seemed by now to have lost some of the enthusiasm which they had felt when they first set foot in India They did not relish the Government of India's policy. Differences of opinion had arisen between it and them in matters of production and organization of work Complaints and grumbles began to be heard The Mission brought these too

[7] Acme Manufacturing Company and Cooper Engineering Company Information about these companies is given in a subsequent separate chapter

to the notice of Roosevelt, the President, and recommended that Churchill be made aware of the business These things gradually came to Walchand's attention ; and without prolonging his stay, he returned to Bombay.

In May the Technical Mission reached Bombay Walchand then sent its Chairman, Dr. Grady, letters giving him lengthy information about his talk with Harrington, and asked him to reconsider the question of giving help for the opening of the factory. On May 16, 1942 he sent him a negative reply which resurrected the old excuses already put forward by Harrington.

In the light of Dr Grady's refusal, Walchand was obliged to shelve the idea which he had entertained, of making renewed attempts in the factory matter with the Mysore Government or the Bombay Government The whole affair remained in the *status quo ante*. British bureaucracy had stolen a march on Walchand , it had even put the Americans in its pocket.

9.

FORMATION OF THE PREMIER AUTOMOBILE COMPANY

BRITISH bureaucracy had stolen a march on Walchand, but not for long Walchand was not the man to sit idle. In the month of August 1943, after taking the advice of colleagues and friends, he decided that he must form a company to run the business of manufacturing motor vehicles as early as possible, without waiting for help from Government—especially for guaranteeing the interest on capital. At this time Government had issued an Ordinance[1] placing restrictions on the formation of new companies When Walchand sent his younger brother Lalchand to Delhi, to get permission from Government for forming a company, the then Examiner of Capital Issues, Sir Alan Lloyd, declined to grant it

Later, because of the number of criticisms levelled against the Ordinance, amendments were made in April 1944 to the Ordinance for Capital Issues, about which Government issued a Press Note (April 28) Taking advantage of this, Walchand renewed his attempt to get permission to raise capital for a company, which met with success. On June 2, 1944 Government assented to his raising a capital of two and a quarter crores, although certain restrictions were attached thereto Of these, an important one was that pending sanction[2] to purchase machinery or construct buildings, the Company must keep the amount collected for capital in Defence bonds or Government securities In addition to this, Government prescribed five conditions, one of which was that, unless the promoters, the proposed directors and their friends privately put up not less than

1 Ordinance for Capital Issues

2 Government's role in this matter of sanction is made clear in the assenting letter which Sir Alan Lloyd sent to Walchand, as under

"I am to make it clear that no such order of release will be granted until the Central Government is satisfied that the time has come to make payments of corresponding amounts for purposes, the execution of which is consistent with the enforcement of any measure of control or restriction that may be in operation at the time when such release is applied for"

forty-five lakhs as capital, the Prospectus could not be published Walchand made up his mind that he must accept the above restriction and all the five conditions—however troublesome and irritating they might be—and immediately get down to the work of forming the Company.

For Walchand to arrive at this decision, there was yet another reason. Similarly to himself, the Birla brothers too had finalized a scheme for opening a motor vehicle factory, and had purchased the Okha Motor Car Assembly Plant in Baroda State. They had arranged to fit out the plant with new machines, and start a motor vehicle manufacturing industry Walchand's friends Sir Manilal Nanavati and Sir Purchotamdas Thakurdas felt that it would not be advantageous for two motor vehicle factories to start in India at once, and give rise to mutual competition, and they therefore felt that the Birla brothers and Walchand should get together and open one single factory. Accordingly, in 1942 they had begun talks with both parties[3], but since both were found to hold different views, this solution proved impracticable The Birla brothers formed a company named Hindustan Motors Limited[4] at Calcutta with a captial of five crores, and began to follow an independent course This obliged Walchand to expedite his own scheme, without waiting for help from Government

As soon as he obtained Government's assent to raising capital, on June 27, 1944 he gave the Registrar of Companies notice of a company with an authorised capital of ten crores, called "The Premier Automobiles Limited"[5], and as soon as he got his letter of authority to function from July 11, 1944, he publicly announced the offer of shares of two and a quarter crores for sale. The raising of capital was guaranteed by the Devkaran Nanjee Investment Company[6]. The Managing Agency was assigned to Messrs Aero-Auto Limited[7] When Walchand, Khatau and Kilachand took over a very old firm, the Bombay Cycle & Motor Agency Limited, which sold cycles and cars in Bombay on commission, it was formed on

3 Sir Manilal B Nanavati's letter to Brijmohandas Birla, January 10, 1942, Brijmohandas's reply to Sir Manilal, January 14, 1942

4 On the Company's Managing Board, besides the Birla Brothers, there were Sir Purshotamdas Thakurdas, Kasturbhai Lalbhai, Nalini Ranjan Sarkar, Sir Badriprasad Goenka, Sir Adamji Haji Dawood, Navinchandra Mafatlal

5 The Company's Managing Board was as follows Walchand Hirachand (Chairman), Tulsidas Kilachand, Dharamsey Khatau, Sir Manilal B Nanavati, Sir Dhanjishah B Cooper, Pranlal Devkaran Nanjee, Lalchand Hirachand, Bharat Gulabchand Doshi

6 On this Company's Managing Board were Pranlal Devkaran Nanjee and Sir Manilal B Nanavati

7 Walchand Hirachand, Tulsidas Kilachand and Dharamsey Khatau were its first directors

October 15, 1943 principally for doing its Managing Agency work. Since it was to attend to the transactions of the Bombay Cycle & Motor Agency, which was engaged in selling cars, cycles and their spare parts, the business of selling the Premier Automobile Company's cars as well naturally fell to its share

When Walchand determined to open a factory for building motor vehicles, he took the far-sighted view that he should get hold of some company with long experience and a solid financial base, which would sell its products; and accordingly he took over the Bombay Cycle & Motor Agency Ltd. in 1943 This had been founded in 1885 by a Parsi gentleman, K D. Wadia At first, this Company carried on the business of selling bicycles From 1898, it began the business of selling cars along with bicycles It was the first company in India to import and sell motor cars. 'Before the turn of the century, in 1898 to be precise, the company added the import of the world's new wonder—the *motor car* . . taking up the first motor car agency in India' In 1919 it was turned into a Limited Company with Messrs. K D Wadia as its Managing Agents. From 1915, the cars of Dodge Brothers and others began to be sold through this Company Afterwards, when the Chrysler Company took over Dodge Brothers, the agency for Chrysler cars came to it in addition to Dodge cars In 1926 its Managing Agency went to Messrs Cursetji Limbji & Co, who developed the business very considerably Before the outbreak of World War II, the number of cars sold by them would come to some 7850 Alongside the selling of cars, they imported spare parts and started the additional business of fitting them from the year 1930 In the days of World War II they started a service station, and did many Government and non-Government jobs on contract More than four hundred workmen were employed in their factory Such was the company which Walchand took under his command, increasing its capital threefold, and forming it into a company capable of giving substantial assistance to his motor vehicle manufacturing industry

Walchand had made these arrangements in advance, in order that as soon as Premier Automobiles began to produce, it should not be reduced to depend on others for its sales. In taking over any running concern, Walchand's policy was always that it should be of help to some important business of his To any concern which was not going to help in this way, no matter how great the profit which it dangled before his eyes, he would refuse to open his heart and his purse Schemes for ever new industries were always being offered

to him by numerous individuals, to nearly all of whom his office would send a stereotyped reply that "Walchand is not inclined to interest himself in your scheme."

A few months before the Premier Automobile Company was formed, Walchand had begun to busy himself in obtaining a site for the factory. There was a plot of land in the Sion-Matunga Estate near Koliwada Station, belonging to the Bombay Municipality, admeasuring about 92 acres. Under the Defence of India Act, the military had taken possession of it for the duration of the War. Walchand began attempts (January 19, 1944) to see that when the plot reverted to Municipal possession on the conclusion of the War, his Company should get it on rent Meanwhile, when the Municipality decided to sell it, Walchand also displayed his willingness to purchase it After a lengthy correspondence lasting about one year and a half, he finally met with a refusal

While negotiations for this site were proceeding, he came to know of a vacant plot of some 150 acres, lying between the Bombay-Agra Road and the Kurla-Ghatkopar railway line, twelve miles out of Bombay Attempts were made to get this too As usual, all sorts of difficulties kept on cropping up The raising of capital alone presented no difficulty at all Shares offered for sale were purchased beyond all expectation By the end of June 1945, the names of more than 22,400 shareholders were on the list, which put an end to Walchand's anxiety about the capital being subscribed within the stipulated period In other directions however, the War situation came in the way of desired progress Pending some little improvement which would accompany the end of the War, Walchand advised Lalchand to go to America, make a study of car manufacturing over there as well as industrial business methods, establish contacts with firms supplying stocks of machinery, and arrange a future plan of action with the Chrysler Corporation Lalchand accordingly went to America in February 1945, accompanied by the Company's technological adviser Gaurishankar Dullabhji Daphtary Daphtary, a retired Secretary of the Bombay Government and Chief Engineer of the P W D., was one of the intelligent and learned gentlemen in Walchand's confidence

Lalchand and Daphtary flew to New York via Cairo on 13 February. During the flight they learned that Birla Brothers had secured technical aid from the Nuffield Group in England, makers of Morris cars, for their Hindustan Motor Company, and had formed plans for manufacturing a car called the "Hindustan Ten" They conveyed this news to Walchand at once, and advised that he must

quicken his pace with a view to putting his factory into concrete shape as expeditiously as possible.

After spending one week in New York, on 21st Lalchand and Daphtary moved to Detroit, to meet the directors of the Chrysler Corporation. They commenced talks with two prominent individuals, Thomas and Stuart, in the course of which they discovered that the Chrysler Corporation was engaged not so much in motor vehicle manufacture as in the production of other essential war supplies; after the War was over, they would again start producing motor vehicles—if not as much as before, at any rate fifty per cent. Thomas told them, "Right now you aren't going to get machines in America for foreign export If you pick up a few here and there from retailers in the market, it will be an expensive proposition A better deal will be to wait a little while, and buy from the people who supply machinery to the Chrysler Corporation in large quantities, wholesale You'll get the sort of machines you want, and at a fair price too Right now it's difficult to get exchange, but maybe you won't have that difficulty if you buy your machines in Canada. Canada has helped Britain in the War with the greatest loyalty, and the British Government isn't going to make trouble over purchases in that quarter We have good connections with the trade in Canada, and you'll be able to cash in on that Now that the War in Europe is over. American factories will start producing stuff—if not at the old rate, anyhow fifty per cent Even that will take another six months At least that much time will sure be wanted for fixing the old machines and arranging the new ones to suit new requirements, and getting the workmen used to the work of producing"

On hearing these words from Thomas, it occurred to Lalchand that, while this re-organization of the factories was going on, if they could be persuaded to take a few of his young Indians as Auto Assistants, these would get readymade training and be very useful for his motor vehicle factory While giving Walchand an account of his Detroit adventures, he suggested it would be a good idea to select ten young Indians trained in engineering, and send them for training to America Thomas had also advised, "Along with young Auto Assistants, your factory will want young men with up-to-date scientific knowledge of the jobs of Auto Salesman, Auto Parts Manager and Auto General Manager You can have these too trained up with us" This suggestion also Lalchand sent to Walchand in another of his letters (February 23, 1945) while giving details about the work that a man was expected to attend to in all those places

In Detroit, just like Chrysler Company's factory, Lalchand and Daphtary also saw the General Motors Company's factory and met its chief personnel While talking with a certain Ripley, one of this Company's representatives, they learned that this Company too was contemplating opening a large factory in India for manufacturing motor cars. Lalchand, who had heard a person like the Company's representative Yocum say that the motor car manufacturing industry would not succeed in India but would prove a fiasco, at the very time when the Company was itself thinking to start that industry in India, exclaimed with indignation, "Look here! Your Yocum declares that in India the automobile industry will be a fiasco[8], and yet your Company is thinking of starting it in India! How can this be? I am amazed at this chopping and changing by you people How do you account for it?"

Ripley answered, "We still hold the same view. Trying to build a one hundred per cent Indian car will be a fiasco The only way to show a profit, financially, is to build car with 65% Indian and 35% foreign parts. That's the way we're going to try it Items like ball bearings will have to be imported"

"In that case," asked Lalchand, "When are you going to start this factory of yours?"

"All that's undecided right now," answered Ripley "It will depend on many factors in the future For the moment we keep on watching the changing situation carefully, and turning the thing over in our minds"

Lalchand and Daphtary made whatever they could of Ripley's words What they did gather for certain was that they would have to come into violent collision with foreign car manufacturers, which meant that they must lose no time in trying to keep their own factory well equipped at all points During their three months' stay in America, Lalchand and Daphtary visited factories in many places which pro-

8 E S Yocum of the General Motors Company had given a talk to the Bombay Rotary Club on June 27, 1944, on the subject of "The Post-War Development of the Automotive Industry and related Industries in India" In this talk, he had said that at the time of industrial re-organization in the post-War period, India would find it more profitable to avoid over-taxing herself with a car manufacturing industry, and to begin instead with an industry for preparing the materials needed for that His words were "India's most advantageous course would seem to be to concentrate upon and to develop as rapidly as possible the production of the industrial materials which are found in their raw state within the border of India" This meeting was attended by J R D Tata who joined issue with Yocum's suggestion in his speech of thanks, as follows

"I feel, however, that circumstances in India are materially different and will require a different approach and different conceptions India cannot wait 50 years or more for building up a self-contained automotive industry"

—'Eastern Rotary Wheel,' July 1944

duced many types of machines useful for their proposed factory, and components required for automobiles, and established contacts with them. They made a close study of the motor car industry, and secured the theoretical help of persons experienced therein. At the end of May, Lalchand returned to India via London.

The problem of the necessary site for the factory was hanging fire. Without a satisfactory solution of this, it was difficult for the work to progress. Eventually, determined efforts resulted in Government's agreeing to give 67 acres out of the Kurla plot, in December 1945 Some months later (1946) the addition of a further 20 acres gave the Company possession of 87 acres, or about 38 lakhs square feet. On 6,20,000 square feet out of this, the main office, factory, entry gate office, buildings for workers' quarters[9], railway siding, etcetera were constructed. Between 1946 and 1950, this work was completed in three stages.

The actual work in the factory called for men to serve as Auto Assistants, Auto Salesmen, Auto Parts Managers, and Auto General Service Managers In 1946, as Lalchand had already recommended, Walchand sent to Detroit ten young engineers to receive training as Auto Assistants, and Meswani and Narielwala to get knowledge of the work of salesmanship, auto parts managership and service managership These persons spent from six to seven months there, and returned to India at the year's end. Each had acquired a sound knowledge of his own branch of the business.

In particular, Meswani and Narielwala had made excellent use of the opportunity afforded to them. To read the reports which Meswani periodically sent to the Company, is to discover how one who is possessed of conscientiousness, impatience to acquire ever new knowledge, power of meticulous observation, a studious outlook and business acumen, can thoroughly familiarize himself with even an unfamiliar activity, and master its finest points Meswani had previously served as an engineer with Walchand's Hume Pipe and Acme concerns, and the automative field was utterly strange to him This did not deter Walchand, taking the above-mentioned qualities into consideration, from drawing him into this new field of activity. This is one example of Walchand's outstanding gift of unerringly picking a man with special qualities and using him for a special task. On Meswani's return from America, he appointed him to the post of the Company's General Manager. Meswani's companion Nariel-

9 Provision is made in these for 250 families

wala had formerly served with the Bombay Cycle & Motor Agency Company, and so was not new to this industry. His task had been to broaden his knowledge, especially of service managing Both these two returned to India in October 1946, after six months in America

From 1947, as each factory building went up, machines were installed in them, and production began of various kinds with the help of American technicians and the newly trained personnel[10] Nearly 400 machines began to turn Production was initiated with the supply of electricity by Tatas in August 1947 From then up to 1950 end, the Company produced 3889 trucks In the beginning (October 1947) there was a production of four touring cars and fifteen trucks By 1950 the production capacity of the factory had reached a potential of 25 trucks and 15 tourers per (8-hour) day However, for various reasons, this potentiality could not be realized to the full

Just as in the case of the Chrysler Corporation of America, Premier Automobiles soon (1951) obtained the assistance of the Fiat Company of Italy With the assistance of these two companies, the world-famous Plymouth, Dodge, De Soto and Fiat cars began to be built Similarly to these two companies, the Company obtained the assistance (1947) of the Munroe Auto Equipment Company of America, and began the construction of shock absorbers Clear signs began to manifest themselves that the Premier Automobile Company would live up to its name of "premier" (i e "best of all") in the field of India's motor vehicle manufacture Walchand's innumerable friends began to rejoice to see success crowning his long and bitter struggle and sacrifice

Just as in the case of his shipping business and his aircraft business, so for the establishment of his motor vehicle manufacturing business, Walchand was obliged to concentrate all his forces and

10 An idea of this production will be had from the following reply given by the Company to the questionnaire of the Tariff Commission

The chronological survey of the commencement of operations is reflected below

1947 Machinery erected and commenced assembly operations of completely knocked down cars and trucks

1948 Machinery erected and manufacturing commenced in (1) Tool Room, (2) Repair Shop

1948-49 Machinery erected and manufacturing commenced in (1) Press Shop, (2) (2) Miscellaneous Shop

1949-50 Machinery erected and operations started in (1) Radiator section, (2) Muffler and Tail Pipe section, (3) Propellershaft section, (4) Forge Shop, (5) Cab section (6) Carpentry section

1951 Machinery erected and operations started in General Heat Treatment Department

1953 Machinery erected and assembly of C K D engine started

wage a deadly warfare against alien rule and foreign merchants—a warfare from which he finally emerged victorious.

As he had originally resolved, he erected the motor vehicle manufacturing industry on firm foundations After that, physical infirmity prevented him from sharing in the task of its expansion. He left the responsibility for this his industry's expansion to the succeeding generation, and from 1950 he retired from active work His younger brother Lalchand took the elder's mantle upon his shoulders, and with the help of his many loyal and competent assistants, he drove the Company's chariot boldly ahead

10.

AN ENGINE AND MACHINE MANUFACTURING INDUSTRY

WHEN Walchand returned from America in 1939, armed with the determination to start a motor vehicle manufacturing industry in India, he began to think it would be a good idea if he could start, as soon as might be, an additional industry for manufacturing engines and machines, which would be of help to that other

It was a mistake, in Walchand's view, to turn to trade and give it one's whole regard, just because it gave an instant profit ; if the goods that form the subject of trade could be made in this country, then it was in the making of these that true advantage must lie This train of thought naturally led him to conclude that if he was to manufacture motor vehicles, he must also be ready to manufacture the engines, machines of all sizes, and apparatus which such a task would call for He always made it a point that every industry of his should achieve the maximum self-reliance He had it in mind, therefore, to acquire some running factory which manufactured engines, machines and machine tools Most especially and particularly, he wanted a factory which could make internal combustion engines required for motor vehicles He learned that attempts to make such engines had been started by Sir Dhanjishah Cooper of Satara, in his factory He instituted enquiries in this regard

In 1932 Sir Dhanjishah had taken the British firm of Duncan Stratton and Company into partnership, and renamed his Company as "Hindustan Engineering and Implement Company" From 1933, Diesel engines were being made in the factory of this Company under the supervision of British technicians These engines were in particular request from flour mills, rice pounding mills, and saw mills Since they were very useful for the work of drawing water for agriculture, and the driving of other massive machinery, they were sold on a considerable scale to persons engaged in agriculture Prior to their being made in India, they used to be imported from

Britain, the United States of America, Sweden and other countries, with the highest proportion coming from Britain. The author of these engines was Dr Rudolf Diesel, a German engineer who, in view of the high cost of steam, wood and petrol, conducted experiments to see whether lighter and cheaper materials could be used to drive engines at less cost, and invented this engine to run on crude oil Dr Rudolf Diesel made it in 1892, and later it was given his name Since the oil required for it was very cheap, and it was very light and compact in comparison with a steam engine, it was adopted with great alacrity in Western countries.

This engine was first introduced to India by Marshall Sons and Company Between 1900 and 1904 they imported Blackstone crude oil engines. They also made a short-lived attempt to make Diesel engines here

Engines were in increasing demand, while fulfilling which, foreign firms—especially British—were picking up a handsome profit. This induced Sir Dhanjishah Cooper to undertake their manufacture in his Hindustan Engineering and Implements Company The production of this engine does not call for any special machines It can be done with the capstan, lathe, drilling machine, etc, such as are used for building ordinary machines Apparatus for ordinary casting can be employed, too The construction of these engines demands such material as steel, pure iron, meehanite castings and non-ferrous metal—all of which are obtainable in India However, such Diesel engine components as crankshafts, fuel oil pumps, fitters, springs, valves, valve guides, bushes[1], bearings, piston rings, oil seals and cam shafts[2] have to be imported from abroad Without these, there can naturally be no engine production.

Sir Dhanjishah Cooper was the first manufacturer to make Diesel oil engines in India He was followed by Messrs Ruston & Hornsby, who started making their Ruston engines in Bombay in 1939 An attempt was made by Kirloskar Bros too. However, as World War II gathered force, a decline in the imports of basic materials for engines caused a corresponding decline in production. Only Sir Dhanjishah in his factory "maintained engine production by fitting parts of Indian make His principal difficulty—crankshafts—was solved by making them of meehanite metal. Undeterred by difficulties, the Cooper factory took the risk and accepted the work of

1 The tube of friction metal in which the shafting turns.
2 A device which, while itself revolving concentrically, makes parts in contact with it move forwards, backwards or in other directions

making high-class engines In the first year it made two engines totalling 32 B H P. In the second year, the number of engines increased to twelve, making up 142 B H P "[3] Later, this figure showed a yearly increase. "All these Engines were of the Horizontal, Slow Speed, Open Bed, Single Cylinder, Four Cycle, Solid Injection, Cold Starting type, which found great favour amongst Indian Agriculturists and other power users."[4] Expanding production created a sense of need to expand the factory This, however, called for an expansion of capital. How to effect this, was exercising Dhanjishah Cooper's mind He and his British partner did not agree, the latter being top dog at all points. Eventually, discharging Messrs Duncan Stratton from the partnership, he began to run his factory on his own initiative The financial pinch began to be keenly felt, and days of acute distress were passed.

Somebody whispered all this in Walchand's ear And one fine day, when Sir Dhanjishah came to Bombay, he met him and asked about the factory He further probed how far the other would respond, in case he offered the hand of co-operation Sir Dhanjishah wanted the co-operation of someone like Walchand, if he could get it On February 16, Walchand was to go to Kalamb (now, Walchandnagar). It was then decided that he would go first to Satara Road Railway Station and visit the factory, after which they would both hold a session at Kalamb and discuss its future Walchand accordingly went on February 16, to Satara Road, to see the factory His younger brother Lalchand was then at Kalamb, and Walchand had written to him to leave there by car and proceed to Poona Station He took him along with him He stayed for five hours, made a meticulous examination of the factory, and satisfied himself that it would assist and promote his future Automobile Industry After seeing it he said to Dhanjishah, "Sir, I would say with respect that this factory must be pushed on briskly Your plan is a sound one, and whatever help of mine you need for fulfilling it, I am ready to give I feel strongly that we should be associated together"

"I feel the same", agreed Sir Dhanjishah "You are going to Kalamb in the afternoon I'll come there tomorrow Let's quietly talk the whole thing over, there"

As soon as Walchand had left in the afternoon, after bidding farewell to Sir Dhanjishah, the latter's son asked him, "Mr

3 M M Doshi "Diesel Engine Production in Maharashtra", *Vaibhav* magazine, August 1963, p 13

4 Arthur J Lund Diesel Oil Engines at Cooper Engineering Ltd. Satara

Walchand went round the factory only two or three times before he showed his readiness to help, he spent only five hours here. What did he learn about our factory in that much time? Is our business something to be glanced at on the surface and decided in half a second? I am truly amazed at Mr Walchand!"

Sir Dhanjishah well knew Walchand's penetrating intelligence. "My boy," he smiled, "what Mr. Walchand learns in five hours, you will take five life-times to learn" The young man was silenced

Next day Sir Dhanjishah went to Kalamb, where he stayed for two days. He thoroughly discussed the Satara factory's future with Walchand It was decided that a separate company should be formed with an authorized capital of ten lakhs, to be called "Cooper Engineering Ltd", to which the Hindustan Engineering and Implements Company should be sold. Accordingly Cooper Engineering Ltd was formed[5] and registered under the Companies Act on May 22, 1940, and on May 23, it purchased the Hindustan Engineering and Implements Company, with its factory and other stocks for a price of Rs 6,65,500 On May 25, 1940, the Registrar of Companies' letter was received allowing work to commence

Sir Dhanjishah Cooper had started his manufacturing in 1922, opening a factory at Satara Road known as the Satara Industrial Works This factory used to make metal ploughs, sugar-cane crushers, wheels and spokes for well-lifts, and other things for the use of the farmers Six years later (September 8, 1928) the Company's name was changed to the Cooper Engineering Works In addition to its usual products, it made weights and measures This Company too changed its name four years later (1932) to the Hindustan Engineering and Implement Company. From that date, it began to produce Diesel oil engines of seven, nine and a half, twelve and eighteen horse power From 1937 the Company started manufacture of Machine Tools like Lathes, Shaping Machines and Pillar Drills

When Cooper Engineering Ltd was formed under Walchand's control, and took over the Hindustan Engineering and Implement Company, its financial state and business condition was thus. Capital, Rs. 2,00,200; liquid assets, Rs 25,000; stock for sale, Rs. 1,43,083-5-10, liabilities, Rs. 3,11,734; annual profit (up to March 31,

[5] The Company's first Managing Board consisted of Walchand Hirachand (Chairman), Sir Dhanjishah Bomanji Cooper, Gulabchand Hirachand, Lalchand Hirachand, Manekchand Virchand Shah, Nariman Dhanjishah Cooper
Managing Agents Walchand & Co. Ltd

1940) Rs. 11,922. Land owned by the Company: 20 acres, 24½ gunthas.

If an upward trend was to be maintained in the new company (Cooper Engineering) an upward trend in the capital also was essential. By the sale of shares in the first year and 6% fifteen-year debentures in the second, Walchand raised capital of seven lakhs and ten lakhs respectively, i e., seventeen lakhs in all, while at the same time he increased the production and sales. Up to June 30, 1942, the annual sales were as high as Rs 10,87,543-4-3, bringing the Company a net profit of Rs 23,980.

In taking the Cooper Engineering Company for management under his own control, Walchand's principal object was the building of the internal combustion engines which were so vitally necessary for motor vehicles, yet had to depend on foreign countries He made the factory concentrate more upon these. The factory began to turn out horizontal cold-starting single-cylinder engines of 7 to 58 h p for purposes of industry and electricity generating, also piston engines of 100 to 116 h p

The iron and brass foundry which the factory had maintained all along, was enlarged and the making of meehanite metal[6] begun With a view to fill up the gap between the steel and cast iron in the manufacture of castings, Cooper Engineering Ltd, entered into an agreement with the Meehanite Metal Corporation of America in 1939 whereby they became the sole licensing agents for the manufacture of Meehanite High Duty Irons for India, Burma and Ceylon Meehanite is now universally conceded to be of far higher class than pig iron In making engines and machines, this metal alone is used for all cast parts, whether intended for general work or to provide resistance to electricity, rust and heat Before the Cooper Engineering factory started, various parts—cylinder heads, governors, connecting rods, bearings, valves, etc —had to be imported from England; but now all these began to be manufactured in this factory.

Although the whole material of Cooper engines was of British pattern, the Company modernized them by insisting on introducing its own system of internal combustion The Company brought from England technicians who combined mechanical sense with keen

6 Meehanite—of twenty-one different varieties—is an iron of high tensile strength From it, blocks are made by casting with alloys adjusted to suit different purposes It offers excellent resistance to electricity and rust It must be prepared scientifically under the supervision of expert metallurgists With a tensile strength of 25 tons to the square inch, it can be refined to stand up to 35 tons

business sense, and set them to making machines in its factory. As a result, the machines, engines and other goods made there began to rival foreign goods in precision and excellence. In order to analyse the alloys of metals for casting, and test their strength, the Company added to the factory a Works Chemical and Mechanical Testing laboratory. A British metallurgist was separately appointed for this. In respect of equipment with up-to-date apparatus, no other laboratory in Western India could compare with this. It was staffed by fully qualified and experienced personnel who constantly engaged themselves in checking analysis of all raw materials received for processing in the factory, and kept careful control check on the quality of 'Meehanite' castings and other component parts built into the Company's manufacture.

At first the Company felt some difficulty in obtaining the engine parts which had to be imported To overcome this, the Company began to think of getting a power hammer from Tatas, and using it to make iron billets into driving shafts, and along therewith lathe machines, grinding machines, one-crank and multi-crank shafts

In 1942, despite the difficulty of obtaining essential material, Cooper Engineering Ltd rapidly extended their Diesel Oil Engine manufacturing programme by introducing additional sizes up to 200 B H P. and increasing their output to 450/500 engines per annum in the range All over India the Company's engines began to be employed for sugar factories, flour mills, water pumps and electric generators. Government's India Stores Department and the Army also began to buy the Company's engines In December of this same year, with the help of its Works Manager (afterwards, General Manager) Arthur James Lund, with many years' experience of building oil engines, the Company made an engine suitable for motor vehicles. Walchand took a Morris car to Satara, dismantled it, removed the original engine, and fitted the chassis with an engine built by the Cooper factory When Walchand saw the car moving with this engine, the joy he felt was beyond description. His factory had achieved the honour of being the first in India to build a motor vehicle engine By building this engine, he gave that day a crushing retort to those who saw him trying to make motor vehicles, and tauntingly asked him where were the internal combustion engines[7] to fit inside them.

[7] Engines which burn any combustible substance, be it petrol, paraffin, oil, any liquid substance, or gas, are all called internal combustion engines With such engines, combustion takes place right in the cylinder by the hot ignition which supplies the driving power.

The successful experiment of a motor vehicle engine moved Sir Dhanjishah's son Nariman to write (December 27, 1942) to the Technical Officer of the Department of War Transport in Delhi, giving him a detailed account of the Cooper Factory's successful experiment, and requesting his department to take advantage of this and give assistance to the manufacture of engines He sent a copy of this letter to the then Commerce Member of the Government of India, Nalini Ranjan Sarkar; and when he came to Bombay in the month of February 1943, Nariman put him in a car fitted with this engine (February 3, 1943) and gave him a practical demonstration Nalini Ranjan Sarkar was pleased with the car's smooth running Later, when Sir John Colville, Governor of Bombay, visited the factory during his September tour of Satara, he in turn was given a demonstration ride in a car fitted with this engine (September 16) After closely inspecting the engine, he gave its designer a pat on the back He conceded that such engines suitable for motor vehicles could be built in India. This was a very great victory for Walchand and Dhanjishah in the field of engine manufacture

"After termination of World War II, greater facilities and incentive for further expanding the Diesel Oil Engine Manufacturing Industry became apparent, and Cooper Engineering Ltd, further enlarged their Works and increased production, whereby, the firm today rank as the largest and most modern Diesel Oil Engine Manufacturing concern in the country, having an annual output of approximately 6,000 Engines, covering a power range from 5 B H P to 256 B H P, all these engines being suitable for industrial purposes of each and every kind."[8]

Walchand was Chairman of the Cooper Engineering Company until 1947 During his seven years' tenure he expanded the Company very considerably in every direction He increased the Company's original capital more than threefold, and its production and sales many times over He took the Company's acreage from 20 acres to 126, on which a regular small township sprang up alongside the factory 1900 workmen came to be seen working in the factory, and in the executive division, employees of 250 different grades and powers.

After Walchand's retirement, the Company was presided over by his younger brother Lalchand, to whose far-sightedness, love of progress and astuteness its development owed a great deal. "In 1946 this factory was selling eight lakhs' worth of goods, today (1964)

8 Arthur J Lund Manufacture of Diesel Oil Engines at Cooper Engineering Ltd, Satara

its sales have surpassed three crores The ten lakhs' production of those days has gone to three crores 1941's capital of seven lakhs has risen to one crore and thirty-five lakhs." By sending its machines and engines even to countries outside India, the Company has gone on raising the prestige of the motherland

In 1941, similarly to the Cooper Engineering Company, Walchand took control of the Acme Manufacturing Company in Bombay, which was principally engaged in making various types of hardware fittings required for use in buildings, out of iron, brass, bronze, gun-metal, etc This Company had been formed about the time of the Great War by J Govardhandas and Company. For the first few years it did the work of selling motor cars and allied articles. Then it also tried out manufacturing motor car spares and accessories, in which however it achieved no real success In 1920, a well-known Bombay merchant Mathuradas Vissanji took the lead in converting it into a joint stock company, and assumed the managing agency for his own Mathuradas Vissanji and Company. From that point, along with motor car accessories, this Company began to make vessels for household use and jointing materials required for buildings But it very soon found that there was an inadequate offtake for these goods also, and then it took up in addition the construction of certain articles in constant demand by the railways In this field it even began to undertake mass production Yet with all of this, the Company showed no sign of becoming financially self-supporting Year by year it showed a loss, to remedy which it was obliged to write down its hundred-rupee shares to ten rupees in 1938, and its authorized capital from twenty lakhs to Rs 14,68,010

Since Walchand had sunk sufficient funds in the Acme Manufacturing Company to acquire a controlling power, it was but natural that he should transfer its management, for the Company's ultimate good, from Mathuradas Vissanji and Co to his own Walchand and Co. Immediately in 1942, he raised the Company's authorized capital by ten lakhs to Rs 24,68,010. When the Company came under his control (1941) its paid-up capital from sale of shares was Rs 2,39,110 ; this was now swollen (1942) by six lakhs through sales of 6% cumulative preference shares[9] of Rs. 100 face value at par, and raised to Rs. 8,39,110. To avoid embarrassment in its current

9 When in any year a company makes less profit, and under the agreed rules is unable to pay the full dividend on the preference shares, then, if there is a concession to make up the deficit in the following year by paying extra dividend, these are known as "Cumulative preference shares".

transactions, Walchand arranged for cash loans to the Company as required, from the Bank of India and the companies under his own control. And at the same time, in order that production might proceed on a large scale, he added one more factory[10] to the existing one, and furnished it with up-to-date machines of new design To this he appointed highly trained technicians and mechanics.

Very soon, as the directors expected, the Acme Manufacturing Company's factory began to show an abundance of progressively high-class production It won a great name for itself for its butt hinges, parliamentary hinges, tee hinges, pivots, and self-acting hinges, as well as its window stays, handle knobs and door stops. These articles attract the customer's notice at once with their beautiful workmanship and clean lustre. As far as durability goes, they can stand comparison with any similar foreign articles Hence there is a very great demand for them from parts outside India—Aden, Persian Gulf, etc Later, along with these articles, these factories gradually began to produce electric fans, Diesel engines, shaping machines, lubricators, and basic parts of vehicles

The two companies described above had been caught in the whirlpool of adversity and temporarily brought to a halt, but Walchand took them to his bosom, endured their losses, and cherished and nurtured them in an excellent manner Walchand's policy was not to permit India's rising machine-manufacturing industry to perish for want of funds or sound guidance, nor to fall into the maw of the foreign capitalists It was this policy which made him take these two industries under his command, plan them with the same care as his other industries, and offer them a wide field for their activities.

10 These factories are at present near Antop Hill in the Wadala Hill area of Bombay The original factory was in the Wallace Flour Mills compound, in Sleater Road, which leads from Grant Road Station, and from there it was afterwards shifted to Wadala When the Company came under Walchand's control, its first Managing Board was Walchand Hirachand (Chairman), Ratansi Karsandas, Pratapsingh Mathuradas, Ratanchand Hirachand, Mansukhlal Atmaram Master, Shivchandra Banerjee

11.

DIRECTORSHIP OF INDUSTRIES AND COMMERCIAL BODIES

WALCHAND made his independent entry into the industrial field in 1905 From that period, he became increasingly associated with industries of many kinds. Under Section 91A of the Indian Companies Act, a director must inform Government of the names of all other companies with which he is associated, as a director or member And so we find, from the list which Walchand submitted to Government when he became a director of the new Tata Chemicals Limited in March 1939, that he was currently associated as director with 11 public limited companies and 15 private limited companies, and as member with 34 limited companies Until he wholly resigned from all companies on account of poor health in 1949-50, this list was increased by some further companies For the advancement of these companies, he exerted himself just as he exerted himself for his own personal companies It is worth recording what service he did, in the role of guide and philosopher, for industries connected with insurance, banking, salt, cement, rayon silk and chemicals

Insurance Just like all other leading businesses in India, this business too was for many years in the hands of foreign companies with world-wide branches The first Indian company to start this business in India was the Bombay Mutual Life Insurance Society of Bombay, established in 1870 It was followed four years later (1874) by the establishment in Bombay of the Oriental Government Security Life Insurance Company Limited Afterwards, the success achieved by these two companies brought forth, after 1912, a number of new Indian insurance companies And after the Great War, from 1920 onwards, the public began to patronize Indian companies, whose number consequently began to increase enormously.

A country's trade and industry are very greatly assisted by its insurance companies, banks and shipping companies Hence, Walchand

insisted, the good of the country required that these should be conducted only by native associations, while the public, as well as Government and local self-governing bodies, should predominantly patronize them alone.

In England, America and Japan, insurance companies consider it their prime duty to furnish capital for trades and industries We find from one-fourth to one-third of their funds invested in the share capital of industrial companies and in railway bonds The position in India was otherwise The funds of insurance companies were principally invested in Government as well as Government-approved bonds The Insurance Companies Act obliged them to invest 55 per cent in this way. The rest of their funds could be used for transactions such as mortgages Indian insurance companies mostly transacted only life insurance business They did not touch transactions relating to Fire, Marine, Securities, Physical Disability, Theft and Robbery insurance, ordinary Carriage and Motor Car insurance, and all other miscellaneous types of insurance that are known, nor did the British Government of those days give them liberty to do so. This created a monopoly of such types of insurance for British companies, which earned and sent home crores of rupees, and even invaded the field of life insurance on a large scale. Their keen competition made it very difficult for Indian companies to stay in business Actually the Government of India, like the governments of other countries, should have given them protection, but Government never thought of doing so

In 1937 a conference of Indian insurance companies was held in Calcutta, over which Walchand presided In his speech he reviewed the current state of the Indian insurance industry, and citing the examples of America and Japan, he plainly stressed the need for protection The United States of America takes elaborate precautions to see that all kinds of insurance over there should remain in the hands of American companies exclusively ; while Japanese law since 1923 has totally forbidden the conducting of insurance business in Japan by foreigners. Over and above this, in order to obviate the evil economic results of the growth of undesirable competition, it has even placed restrictions on the number of companies. By compelling many companies without growth capacity to coalesce, it has given the industry a strong foundation These measures increased public confidence in the business, which itself greatly increased, to the benefit of the common man as well as those industrial associations which took the insurance companies' help. In this speech of his,

Walchand most solemnly assured that if Government followed a policy looking to this example of Japan, it would be able to achieve the benefit of the Indian public coupled with that of India's industrial associations. But how much heed did Government pay to this? Small wonder if Walchand was constrained to say: "My voice is that of one crying in the wilderness!"

Despite this state of affairs, Walchand was endeavouring to effect as much improvement as he might in the existing situation, in order that insurance should become popular and securely based, and prove of assistance to the country He was for eleven years a director of the Oriental Government Security Life Insurance Company, having assets of above 24 crores and doing almost 59 crores of business In 1936, to give his companies' employees financial ease and security in their latter days, Walchand prepared a Staff Insurance Scheme and insured them through this Company According to this Scheme, employees taking out insurance got a 25% rebate on the annual premium If the employees's annual premium was Rs 100, he had to pay only Rs 75 Of the balance of twenty-five rupees, Walchand's companies would pay Rs 16½ and Oriental would give a rebate of Rs 8½ Each employee had to take out insurance for a sum whose annual premium would equal one month's pay Under this scheme, up to the end of 1950 we find that the employees of Walchand's companies insured themselves for as much as Rs. 27,42,350

In 1941, due to disagreement on a question of principle with the Managing Board, Walchand resigned his directorship of the Oriental (June 15) and two years later, with the help of Tulsidas Kilachand, Dharamsey Khatau, Jehangir Patel and other industrialists, and the Government of Baroda, on May 2, 1943 he founded an insurance company called the New Great Insurance Company of India Ltd., dealing in all kinds of insurance. Firmly establishing this Company by his own unremitting efforts, he put into practice his own ideas regarding insurance He gave this new company all the different kinds of insurance of his companies, with the exception of Life insurance, and gave it a strong financial position By showing the example of his own company, he diverted that current which had flowed for so many years in favour of foreign companies, in these types of insurance business, towards his own company as well as to other Indian companies like it

Banking: Walchand personally never established a bank nor carried on this business by himself. During the period 1934 to 1939, at the insistence of his friends and the Baroda Government's Dewan

Sir V. T. Krishnamachari, he looked after the management of the Bank of Baroda, but only as an act of friendship, merely with the aim of letting it have such benefit as it might get from his experience. For the first two years (1934-36) he was a Director of this Bank, and for the next three years Chairman of the Board In 1939 (December 9) he resigned from the Board. During his regime the Bank greatly increased its strength, its share capital rose greatly, while at the same time its field of operations was also widened His personal connection with bank management thus extended to five years Later, when his friend Pranlal Devkaran Nanjee opened his Devkaran Nanjee Bank (1939) he rendered a great deal of help to him for setting it up and giving it solidity

As the foregoing shows, Walchand's direct connection with running banks was of short duration , yet, being a director of varied industries, in his capacity of industrialist he enjoyed a close and continuous association with their affairs Thanks to this connection, he had acquired definite ideas, reinforced by experience, about the status and operating of these banks or financial houses in the country's industrial and economic affairs And in accordance therewith, Walchand felt that the needs of changing times should be met by a change in the business methods and field of operating of the country's banks, to stimulate the growing strength and momentum of the country's economy

India has known the banking business for many centuries In olden times, however, it did not run its financial affairs on the same lines and to the same pattern as the banking of modern times Seen thus, the institution of the Bank was quite new to India As N C Kelkar says [1]

"When the English conquered, or got, India, they did not get mere ruling power. they got power over the country's trade and commerce This conflict between the British and the Indian commercial power was not clearly apparent to anybody ; the conflict's battles were not fought with weapons ; nor was any blood split in those battles Hence in the popular sense they might not even be called warfare But this conflict's effect upon the commercial power was none the less deadly for that. Along with the new ruling power, a new fashion of doing trade and commerce came into being, and new interests were created ; and these changed the very face of indigenous trade. It became necessary to set up banks to deal with many different countries, and similarly Presidency Banks

1 *Our Native Banks*, Kelkar's Collected Works (Marathi), Vol IV, pp 416-17

were established, which would prove useful for Government transactions and of which Government could retain possession. The new banks' two-pronged assault dealt a great shock to the old banks From then on, for sixty to seventy-five years we wholly danced to the tune of the foreign banks. The use of alien banks, and along with it the correctness, cleanliness, regularity and other virtues of those who managed them, utterly dazzled us people But in about 1880-82, the first wave of Swadeshi which broke right over India, at the same time sowed the first seeds of the idea of starting national businesses "

The first native bank in India was established in 1882 at Faizabad —the Oudh Commercial Bank. This was followed in the Punjab by the Punjab National Bank in 1894 and the Peoples' Bank of India in 1901. The experience and achievement of these three banks gradually, in the ensuing twenty-five years, stimulated a number of indigenous banks in Bombay, Calcutta, Poona and Madras While a certain number of these took strong root, most of them folded up. In 1913, for one thing, an epidemic of bank crashes set in, in which the public lost lakhs of rupees. It began to appear as though the public in general had lost confidence in the institution of banks After the First World War, the Indian banking business took root again, and within the next ten to fifteen years it sprang up nicely And yet, compared with foreign banks, its position was well behind. situation, as did Walchand, and trying to improve it, frequently held Many industrialists and economists who were pondering over this discussions with government officers The result was that on the initiative of the Government of India's Financial Adviser, Sir George Schuster, a Banking Enquiry Committee was appointed, and an enquiry held into the banking business From the views which Walchand expressed on the publication of this Committee's report, we can comprehend his peculiar approach to the institution of banking. At the fourth annual meeting of the Maharashtra Chamber of Commerce (December 5, 1931) he said in his presidential speech :

"I must however, say, that the recommendations of the Central Banking Inquiry Committee are disappointing and they fall considerably short of the legitimate expectations of those who have the true economic interests of the country at heart. Although they recognize that it is not desirable that India should rely for all time for the financing of her foreign trade on non-Indian banks, the solution they suggest does not certainly take us far. The remedies they propose fail to adequately meet the requirements of the

economic situation, so far as the question of the foreign banks operating in this country is concerned I wish it were possible for the Indian majority on the Central Banking Inquiry Committee to influence the Committee to take a bolder stand and to recommend a more courageous and less halting and compromising line of action than the one they have indicated They seem to have lost themselves in many petty details in making their two hundred and odd recommendations

"Even assuming that restrictions on non-national Banking concerns do not obtain in other countries, India, as it stands today, cannot develop its Banking in the real sense without direct restrictions on non-Indian Banks. As a matter of fact, however, such restrictions do exist in other countries like Japan, Germany, Italy, Canada, etc. The foreign Banks are playing today an important part in the financing of India's export and import trade They enjoy a virtual monopoly, hardly 15% of this trade being in Indian hands Their ways are, to say the least, very unsympathetic as is amply borne out by the evidence given before the Inquiry Committee They favour their own nationals, while equal facilities are not so easily and freely made available to Indians in the export and import business These foreign Banks have their head offices abroad and they are incorporated according to the laws of their own countries Their share capital as well as their control are both almost entirely foreign Their accounts are not liable to be audited here We in this country have no correct idea of the details of the assets of these Banks nor do we know anything of their investments and commitments

"It might be true that their business has been comparatively free from trouble so far, but that gives no security for the future Their activities and affairs here are a sealed book alike to the Government and the public of the country As matters stand today the Indian constituents of these banks have no protection in law, if any of these institutions becomes involved into trouble Throughout their career of business activity in this country extending over nearly three quarters of a century up to now, they have never thought—busy as they have been making large profits giving fat dividends and building up big reserves for their non-Indian proprietors at the cost of India—of inviting Indian participation ! Not only this, they have never even tolerantly looked upon any suggestion of that kind Today they have the business which they seem loath to part with, besides many of them are doing good business in internal banking

to the detriment of Indian Joint-stock Banks. Banking differs from ordinary business and partakes of the nature of public utility institution and banks enjoy certain rights in law unlike the ordinary borrowers and lenders.

"My submission, therefore, is that there must be a national outlook while dealing with the question of foreign Banks operating in this country. They should be required to take out a license, before they commence their operations The Committee further suggest that the renewal of licenses granted from time to time to foreign Banks already here should be automatic, and it should come as a matter of course. This cannot be agreed to as it restricts the freedom of action of the Licensing Authority, in case it becomes necessary for that authority to act in the interests of the nation The discretion of the licensing authority is absolute and final in countries like Germany, Italy and Japan and it should be so here too, it need not state any reasons for issue-suspension or revocation of license to foreign Banks It need not be said that the authority would be guided by recognized practices or conventions obtaining in other civilised countries in this respect if they do not clash with Indian requirements It will be essential in the interests of the country to prohibit foreign Banks from accepting any deposits in India and to ask them to have their operations restricted to ports only, and to wind up all their branches in the interior in a few years Consequently it will not be unfair if they are further prevented from acquiring controlling interests in any Indian Banking Institutions with a view to defeating foreign provision or for any other motive

"On the savings of the Indian people, Indian trade, Indian Banks and Indian Industry do have the first claim It will also be proper to prohibit these Banks to engage in 'trustee business' in this country or to form a combination or a ring with other foreign Banks or persons without the permission of the Licensing Authority. It is but fair that they conform to the laws of India in all disputes whatever without claiming any special privileges in this behalf They can also be asked to Indianize their staff, including the Manager at each branch. This country ought to find scope for its banking institutions to grow and this it is hoped will be secured by putting some such restrictions, which, by the bye I may add, cannot be considered either unreasonable or harsh It is probable a great furore will be created by the foreign vested interests against any such or similar action; they will call it 'confiscatory' or 'expropriatory'. My only reply to that is that their conduct during the

last two generations necessitates the action suggested on our part.

"In emphasizing the need of foregoing restrictions on the foreign Banks in this country, we are actuated by a desire to develop Indian Banking and our sole anxiety is to put right the Banking machinery in India, by securing to her not only her proper share of the profits of the exchange business, but what is still more important, their management, their importance and their deposits. Even if to act on these lines may look a bit unprecedented, I may say India's whole position is itself unprecedented in the world's history and so we need not be afraid of that! There are ample precedents for us The Chartered Bank of India, Australia and China is not, for example, allowed to have a branch in Australia. I must say it is a great pity that the majority on the Committee and some of them well-known Indian businessmen should have a soft corner for the foreign Exchange Banks and that they should suggest a State Exchange Bank, which is to come into being only after the Reserve Bank is established and after the Imperial Bank has had an opportunity of attempting the exchange business This puts the realization of our object too distant indeed! Change over from State ownership to private enterprise will be a difficult one and our ideal must be the ultimate financing of the foreign trade by private Indian enterprise I wonder how these business men in the Committee could suggest the State to guarantee interest on capital in these days.

"The Central Banking Inquiry Committee have done well in recognizing that a large section of the community is still dependent on the indigenous banker or the shroff for financial facilities and that it is not possible to make banking facilities available all over this vast country, especially in rural areas, unless recognized shroffs are linked up with the Central Banking organization of the country, a suggestion prominently put forth by this Chamber before the Provincial as well as the Central Banking Inquiry Committee The shroff is still the pivot on which hinges the economic life of rural India, wherein lives nearly 90% of the population of the country He is still an instrument of circulation of goods and money and he can be turned into a more modern and useful instrument. The Central Banking Inquiry Committee recommended that shroffs of standing and reputation should be put upon the approved list of the Reserve Bank like the Joint Stock Banks and that their bills should be rediscounted by the Reserve Bank. The Central Committee do see the need of strengthening their position and at the same time agree that compulsory measures of any kind will only drive this

class out of the field and thus create a gap in the Banking system of the country which will prove to be detrimental to the national interests"

From the point of effecting a country's economic expansion, the orbits of its banking activities must be constantly widened Indigenous banks must constantly conduct themselves, Walchand demanded, with an ever lively realization of what must be their ideal, namely to create a lasting activity for the aid and nourishment of schemes of economic expansion And with this in mind, he used earnestly to warn them that they must get out of the well-worn ruts, and hack out new paths to the prosperity of the country

Salt and Chemicals After the construction by the Baroda Government of a modern style port at Okha, well equipped for marine transport, in 1925, factories for salt, cement and chemicals began to spring up in the adjoining area In 1926, with Walchand's encouragement and assistance, an expert chemist Kapilram Vakil started a factory for making pure white salt, after establishing a company known as the Okha Salt Works Limited, of which Walchand was Chairman This Company acquired a plot of 1626 acres, reclaimed one thousand of them, and started work in 1927. Its original subscribed capital was Rs 1,34,075 Nine years later (by the end of 1936) the sale of shares and bonds had raised this to as much as Rs 11 08,830 From the Baroda Government the Company secured ample help, both financial and other Its management was in the hands of Kapilram Vakil's "Kapilram Limited"

That India, with boundless oceans stretching on three sides of her, and with hot sunshine to evaporate their water, should feel a shortage of the salt she needs, and should be compelled to make this up by continually importing salt from Europe, is at first sight a matter of amazement But the fact remains that, at the time when the Okha salt factory was set up, salt used to be brought into India from abroad to the tune of one crore and sixty-five lakhs of maunds annually.[2] This salt was refined white, and was principally consumed in Bengal, Bihar, Orissa, United Provinces, Assam and Burma Bengal alone consumed this foreign white salt to the value of one and three-quarter crores of rupees Many leaders who thought about India's economic affairs, felt that it would be both

[2] From Liverpool alone, 20 lakhs 35 thousand maunds of salt used to come The rest of the imports used to come from Hamburg (Germany), Spain, Port Said and other places

feasible and desirable to stop all this drain of money abroad on account of salt, by opening factories for refined white salt in India At a session of the Legislative Assembly in Delhi, in 1925, Sir Shivaswamy Aiyar actually moved a resolution that Government should have research done into the making of high grade salt in India, and encourage the setting up of factories

There were those who pointed out that in former times no salt came into India, which used to supply her own needs Now, thanks to training and expert advice, it was possible to introduce new improvements into old methods of making salt Just as Government wished the farmers to be taught new, scientific methods of farming, similarly Government could—if so minded—give instruction in new methods to those who made salt Besides, not much capital was required for this industry, and such as was required, could be had in India Then why, these people asked, should India bring salt from abroad ? But they got the usual evasive replies from Government When Government intended to take no action, it was ever ready with excuses This was but natural, for how could it do anything to interfere with the welfare of its own British kinsfolk ? To encourage a refined white salt industry in India would amount to taking the food out of the mouths of the Liverpool salt manufacturers ! No matter if the Indian traders starved to death, its own countrymen must eat their fill Such were the circumstances in which men like Walchand, Kapilram Vakil, and the Maharaja of Baroda dared and dared again to open factories like the Okha Salt Works

The area in which the Okha Salt Works produced salt was known as Mithapur ("Salt City") In 1927-28 the factory's production of salt was 2,475 tons , this steadily increased, until in 1934-35 it reached 63,025 tons In 1932 the Company installed new plant of modern type in the factory, and raised the production capacity to a potential 75,000 tons of salt per year The Okha Salt Works was the very first high-capacity factory in India.

While Mithapur was producing salt, Walchand started attempts to get protection from Government for Indian salt through the medium of a tariff. He got the Maharashtra Chamber of Commerce, and Calcutta's Indian Chamber of Commerce, to pass resolutions and write lengthy letters, to the effect that Government should send the question of the salt industry to the Tariff Board for enquiry, and should make it consider the grant of protection through a tariff for the purpose of giving encouragement In 1929, at the time of

the debate on the annual budget in the Supreme Legislature at Delhi, Walchand got N C. Kelkar to bring the question of protection for salt prominently forward, by moving a cut of Rs 100 Kelkar's forceful advocacy in the cause of the salt industry on that occasion, and the uncompromising impact of his arguments, as well as the stout support rendered to him by the other members, produced an excellent result, and Government (1930) handed over the question to the Tariff Board for consideration. Following its recommendations, Government passed the Salt (Additional Import Duty) Act in March 1931, and granted protection to the industry, which checked the import of salt from abroad.

However, a fresh difficulty arose Salt from salt factories conducted by British capitalists at Aden began to reach the Calcutta market in large quantities Since Aden was at that time reckoned as a part of British India, the merchants there unreasonably got the benefit of protection, although they had no need of it, and those manufacturers made a tremendous reduction in their rates for salt This reduction no doubt benefited the common man, but made it daily more difficult for a newly arisen industrial firm, like the Okha Salt Works, to stand out against the price competition In 1938 Government abolished the protection, on the plea that it saw no particular necessity for it Protection ought to have been given by Government for at least a further ten years, until this industry could stand on its own legs in India As soon as Government abolished it, the previous foreign salt companies again wormed their way into the salt market, reduced their rates, and recommenced a fierce type of competition In such a situation, Kapilram Vakil and Walchand began to feel that the Okha Salt Works should be handed over to some powerful industrial firm with the strength to put up additional capital and meet the challenge

About this time, Tatas planned to establish a company at Mithapur called Tata Chemicals Limited, for the production of crude soda ash, caustic soda, bicarbonate of soda, bleaching powder, zinc chloride, liquid chlorine, and other chemicals For this Company, a factory of this sort was likely to be of advantage After taking the advice of Walchand and the other directors, Kapilram Vakil decided to sell the factory to the proposed Tata Chemicals Ltd Accordingly, as soon as that Company was established in January 1939, he sold the factory for eleven and a half lakhs of rupees At Tatas' insistence, Kapilram Vakil and Walchand both consented to remain on the directorial board of Tata Chemicals

The authorised capital of Tata Chemicals was five crores, and the initial subscribed capital through sale of shares was Rs 1,21,02,000. Very soon after the formation of this new Company, World War II broke out, and it began to be difficult to obtain supplies of machinery Yet in spite of such unfavourable conditions, Tatas very soon got the Company going with the help of Kapilram Vakil, Walchand and the Baroda Government; and greatly daring, they very soon put the business of producing salt, as well as chemicals, on the road to success.

Cement and Rayon Just as with the Salt Works at Okha, Walchand was associated with the cement-producing Okha Cement Company, in 1924, as Director. Cement being an important ingredient of his building industry, t was but natural that his attention should be particularly drawn towards its production A financial stake in this Company was also held by Tata Sons and the Government of Baroda

Cement production in India was started in 1914 at Porbandar (Kathiawar) by the India Cement Company Limited This was followed by two more companies, the Katni Cement and Industrial Company and the Bundi Portland Cement Company The five years of the Great War were a time of splendid development for this Company, and after its conclusion too the demand for cement went on increasing This encouraged the appearance, in the period 1919-24, of seven more cement companies, one of which was the Okha Cement Company Ltd All these ten companies together used to manufacture five lakhs and eighty-one thousand tons of cement yearly Yet this rising production was not matched by a rise in demand. The annual consumption of cement was about three lakhs and nine thousand tons On the conclusion of the War, cement began to come in from abroad also, which resulted in a tumbling down of prices and deadly competition Presently the inability to make any profit turned into loss, three companies voluntarily gave up the struggle The Indian companies rushed to the Tariff Board for protection They did not get it

In 1926 however, the revenue duty on the import of cement was raised from Rs 9 per ton to Rs 25 The Tariff Board suggested that the manufacturers should control production and rates by mutual co-operation and agreement. Acting on this suggestion of the Board, the cement companies set up two representative bodies—the India Cement Manufacturers Association in 1926, and the Cement

Marketing Company of India Limited in 1930. The work of fixing the level of cement production was started by the former, and the work of sales and promotion by the latter. With all this, the harmony which should have pervaded all their activities was not to be seen ; with the result that the condition of the cement industry remained unsatisfactory up to 1936

At that time, of the eleven factories in India, ten belonged to the industrial groups of Killick Nixon, Tata Sons Ltd., F. E. Dinshaw Ltd , and Mulraj Khatau and Sons Ltd These four groups formed a new company with an authorized capital of eight crores, called the Associated Cement Companies Ltd., and merged their factories with it From then on, good days came back again for the cement industry For merging the cement companies, and for devising the means to place the cement producing industry on a firm footing, the efforts of F E Dinshaw were primarily responsible. His death a few months after the founding of the Associated Company deprived it of his firm and far-sighted leadership But Walchand, Jehangir Tata, Purshotamdas Thakurdas, Homi Mody, Rahimtoola, Chinai and others of its directors continued to follow faithfully the policy he had laid down, and this brought unbroken prosperity to the Company and the industry which it controlled, until today the cement trade has won a very important place in Indian industry

Just as with cement, Walchand was instrumental in introducing yet another business wholly unknown to India, namely the production of rayon. Walchand never got into the business of yarn or cloth production, for which also he never felt any attraction. Yet from 1942 he began to feel that India should start the business of making rayon cloth and the yarn required for it Rayon cloth had been first introduced to India by Japan in 1930 It was sold at an extremely cheap rate, and began to affect the consumption of Indian silk cloth People in ordinary walks began to show a preference for using it in place of silk cloth. Up to 1940 Japan had flooded India with rayon cloth, and taken crores of rupees back to her own country He had begun to feel that unless this commercial invasion from Japan were halted in time, there was a risk of its exercising an incalculable adverse effect on the national cloth trade. The advent of World War II put a stop to the arrivals of rayon from Japan ; but the taste for it had been implanted in the public, and this induced Indian traders to start importing it, on the termination of the War, from Germany, the Netherlands and Italy.

This made Walchand begin to feel that an attempt should be made to produce rayon in India. He took Jiwanlal Chunilal Chinai and Rasiklal Jiwanlal Chinai, who were engaged in the art-silk production industry, into consultation over this matter, secured for them the co-operation of men like Sir Purshotamdas Thakurdas, Sir Ardeshir Dalal, Kasturbhai Lalbhai, Sir Manilal Nanavati, Navinchandra Mafatlal, and A D Shroff, and got them to set up a company with an authorized capital of ten crores, called the National Rayon Corporation Limited, in September 1946 From the erection of this Company's factory, nearly four years had to elapse before it could start actual production Since Walchand resigned from every single one of his industries in 1950, he was unable to contribute anything to the growth of this factory. and its sound position today is due to the efforts of others Nevertheless it will not do to forget that to him belongs the credit for establishing it, and thus starting a new industry in India

Walmer and Company Walchand formed this Company in 1915, taking an English fellow named Bennett as his assistant, for the purpose of supplying goods to the Army, and whenever possible carrying on import and export transactions on commission Walchand had come to know this Bennett in 1901, while he was studying in Bombay's St Xavier's College The man was then running a shop called Sutor & Co, for boots and other footwear, with his wife's assistance On one occasion Walchand had gone to their shop to buy boots for himself, and was pleased with its arrangements, particularly the couple's way of showing the customer goods and talking nicely to him After understanding Walchand's requirements, within five minutes they had picked out a pair of boots for him to his satisfaction Their salesmanship and smart way of doing business left such an impression on Walchand's mind, that one day he went to see them on behalf of his friend, and suggested that they should open a "Zenana stores" at Bhuleshwar, under Mrs Bennett's supervision, just for women, on the lines of Sutor & Co For this, he indicated his readiness to secure financial help for them These Bennetts agreed to the suggestion. However, due to some difficulties. whatever they were, it was not found possible to open the zenana stores

A long time passed Walchand had got into the building contract business and was absorbed in it His fame as a daring and successful contractor went on gradually spreading Hearing of this,

that Bennett went to call on Walchand, one day in 1915. He was in an unemployed condition and in financial straits, and wanted to serve with Walchand, or through his influence, anywhere else The two were meeting again after a dozen years; but Walchand had not forgotten this Bennett, and retained a fresh recollection of the man's selling ability As soon as he learned of Bennett's unemployment from him, he cheered him up and immediately promised financial help Deciding to make use of the man's peculiar gifts, he formed the Walmer Company and entrusted its management to that Bennett, paying him a salary of seven hundred and fifty rupees per month.

Bennett got the Walmer Company contracts from the Army for supplying goods of many sorts. During the days of the Great War this Company supplied for the Army, along with many other things, eighty lakhs pounds of sweet oil alone This proved profitable for both Walchand and Bennett.

This Bennett affords an illustration of Walchand's unerring judgment of men. In 1922 Walchand converted Walmer & Co into a private limited company with an authorized capital of five lakhs But after some time, whether because of the widening scope of his many other large and extensive industries, or whether because of the decease of the man Bennett, to help him he had founded the Company, he sent it into voluntary liquidation

Sholapur Trading Company: In the same way as Walmer & Co, Walchand formed this Company in 1930 at Sholapur, While giving him a public reception on May 22, 1943 the Sholapur with the object of proving helpful to his brothers' industries at that place Walchand's brother Gulabchand, his cousin Raoji Sakharam, and his nephew Govindji Raoji kept shops for coloured cloth, grain, and white cloth respectively. All these three shops were placed under this Company's control[3] In addition to them, this Company bought from a Marwadi Ramsuk Santokiram Chandak a mill called the Prabhat Oil and Flour Mill, together with land and building. The Company was in business for ten years, and three quarters of a lakh of capital was put into it The overall transactions showed no sign of a corresponding profit, and so in 1941 it went into voluntary liquidation

Walchand was very anxious to start some big industry at his

[3] The Company's Managing Board · Walchand Hirachand, Raoji Sakharam, Gulabchand Hirachand, Ratanchand Hirachand, Govindji Raoji

birth-place, Sholapur; and the Sholapur citizens urged him likewise While giving him a public reception in 1943 (22 May) the Sholapur Municipality presented him with an address of honour Replying to this, he had the following words to say in the context of the above suggestion; "The address of honour contains a concrete suggestion that I should open some factory at Sholapur But how to give effect to it? Government circulars[4] have left no scope for joint stock companies. But leaving that aside for the moment, Sholapur is not adapted for the coal, iron, manganese, hydro-electric power, etc, which a factory needs If we are to start an industry, we must be able to start it on a big scale It would have to help many people get a living To set up such an industry will call for nothing less than four to five crores of capital If you good people tell me to do it, I am ready, I only ask that you show me the way—which I am quite unable to find If you wish, let us sit together and consider"[5]

No one came forward to show the way as Walchand had suggested; in fact, no factory ever came The Sholapur Trading Company proved to be Walchand's last industry at Sholapur

The Share Investment Trust Limited When people want to invest in different kinds of securities or industrial shares, in order that they may receive a decent average sum as yearly dividends, while keeping their savings intact, and take the help of individuals who are expert in property investment transactions, the organization which they create is known as an Investment Trust

"For a man who intends to invest money, the question in which securities he should invest it, depends on his personal inclination The order of safety will be Government bonds, semi-Government securities, possessory mortgage bonds, preference shares and ordinary shares At the same time, to put too great a sum into one industry is not beneficial Suppose a man puts all his spare cash into shares in cotton mills, and for some reason that industry suffers a set-back, then he will not only receive no interest, but will find it difficult even to recover his principal It is this sort of tragedy which an Investment Trust seeks to prevent Investment Trusts are established on the principle that if money is invested in different industries, and even among those, in different classes of shares, even though some companies may pay a smaller dividend, it will still be possible

4 At that time, Government had brought the Ordinance for Capital Issues into operation
5 The weekly *Sholapur Samachar*, May 25, 1943

yet his thoughts still strayed to the mining industry. His heart's yearning for the progressive industrialization of his country, through the agency of up-to-date methods and media, would not let him be at peace. His attention remained drawn to the attempts—small though they might be—of Government and Science.

At the Indian Science Conference held in Calcutta in the month of January 1935, a scientist of the Industries Department of the Government of Bombay, Dr M. S Patel, read a paper describing India's copious deposits of bauxite, the ore from which the metal aluminium is made, and the way in which it could be extracted for the very large-scale manufacture in India of aluminium, which the world so greatly needs today, and which is also found so useful for aircraft, vehicles, locomotive steam boxes, and munitions of war "It is reported that since the year 1933 the largest percentage of aluminium produced was utilized for building aluminium trains, aluminium buses, aluminium tube railways, aluminium tramcars and other traction equipment as well as aluminium parts for automobiles"[1] In this same paper Dr Patel declared that on Tungar Hill, thirty miles from Bombay in the taluka of Bassein, there were enough bauxite deposits to last for fifty years On the basis of this paper, and after interviewing Dr Patel through its representative, Bombay's daily *The Times of India* published an article[2] which was read by Walchand and drew his attention to the matter Walchand began to collect information about it He also started to correspond with the Industries Department of the Government of Bombay, learning that Government was preparing a detailed report on the bauxite deposits of Tungar Hill

About this time, one Harry Gibbs, a British engineer, after prospecting in Kolhapur State, announced that there were bauxite deposits amounting to as much as fifty million tons at Udgeri, Dhangarwadi, Radhanagari, Waki, Gargoti, Ajara and Vishalgad He had taken steps, by raising sterling capital in England, to form a company with Sir Basil Blackett as Chairman, for the purpose of setting up an aluminium factory at Radhanagari However, opposition was encountered from the British Aluminium Company, which enjoyed a virtual monopoly of the aluminium industry in the British Empire, and other interested parties ; hence this Harry Gibbs began to experience difficulty in collecting capital in Britain He began to think in terms of raising the capital and forming his

1 Dr M S Patel "Possibility of Production of Aluminium in Bombay", (1936), p 4
2 "Possibility of Aluminium Production in the Bombay Presidency", April 11, 1935

12.

SOME PROJECTS PROPOSED BUT NEVER REALIZED

IN all his life, Walchand made efforts, in various directions and in various ways, for his country's economic and industrial independence Some of these were successful, while some—the time and circumstances not being favourable—were not successful Of those efforts which succeeded, the living images stand before our eyes today , but of those efforts which were unsuccessful, or remained in the proposal stage, it is probable that few people have any knowledge Without giving information about these abortive efforts and proposals which were never realized, no life story of this architect of modern industrial India can be complete.

The nature and extent of a country's industrial expansion is parallelled by the nature and extent of the use which its people can make, after prospecting for it, of its mineral and natural wealth Hence, whichever political power is charged with the country's economy, must remain ever vigilant and active in the search for this wealth And care must continually be taken to use whatever wealth is found, for the prosperity of the country's economy in ever increasing degree Since the foreign power which ruled here had basically no particular care for India's industrial uplift, it never gave this matter much attention Whatever slight search it made, was limited to complementing the activities of its fellow-countrymen Of that mineral wealth at least, on which the happiness and prosperity of India's essential life so vitally depend, it virtually took no notice And to the slight extent that it did take notice, its main object was not so much the prosperity and healthy advance of the economy of the Indian people, as the prosperity and healthy advance of the British Minerals essential for heavy industries, such as manganese, chromite, sillimanite, bauxite and beryllium, were exported abroad, and high-priced goods made from them were brought back to India, putting crores of rupees into alien pockets

The British power never thought of mining these Indian ores on a large scale, converting them into finished goods in India itself, checking the drain of wealth outside the country, and making the country self-sufficient in those articles which form the basis of heavy industry. Even the Indian industrialists, with the exception of Jamshedji Tata, did not appear to be very wide awake over this matter.

The first crude ore extracted from the womb of India's soil was manganese, which was first extracted by excavation in 1892. In 1903 the recoveries of manganese were 1,72,000 tons In 1952 this figure rose to 14,62,264 tons Today India stands among the first three manganese-producing countries of the world First comes Soviet Russia, second Ghana and third India.

"Crude manganese is employed in metal industries, especially in the iron and steel industry The rest of its residues are employed in dyes, chemicals, batteries and similar industries In the iron and steel industry they use manganese to get rid of iron oxides and oxygen It is further used in increasing the hardness of iron"

Around 1906, a demand for manganese arose on a very big scale from America and other Western countries This set off a vigorous search for deposits of manganese in India, and efforts to extract it got under way Several capitalists opened mines On the discovery of deposits of manganese of top quality in the Nagpur and Bhandara tahsils, companies with a very large capital were established there, such as the Central Provinces Mining Syndicate and the Central Indian Mining Company, which began to start business in this direction Men like Sir Maneckji Dadabhai and Seth Laxminarayan made crores of rupees over this occupation. The boom in the manganese industry brought many capitalists edging into this field A report of manganese deposits in the Goa-Karwar region, similar to those in the Nagpur-Bhandara region, diverted a stream of people in that direction

Among these was Walchand, who was minded to try his luck in this new field, alongside his construction work. In 1907 he established a company called the Sholapur Mining Company In view of the risks attaching to this occupation, he decided to take some persons along with him, rather than run it on his sole responsibility Having himself taken the lead in setting up a new industrial association, he assumed the further responsibility of putting up the capital and obtaining the aid of individuals directly or indirectly connected with this industry He toured the Goa-Karwar region and

shortage of aluminium, which it became daily more impossible to import from abroad In these circumstances, the Government of India began to feel the advisability of making aluminium in India It put the aluminium industry in the category of "war effort", and so forewent the import duty on alumina The Government of Bombay now recollected Walchand's scheme. On June 8 it sent him a letter asking whether he was still prepared to take up his old scheme By then Walchand's whole mind was absorbed in the activity of starting a motor factory, with respect to which there appeared to be no prospect of his getting from the Government of India and the Government of Bombay the kind of help and encouragement which he expected of them Indeed, the Government of India was persistently putting obstacles in the way of his progress, on all sorts of pretexts; in which work it received the indirect support of foreign businessmen Yet Walchand was resolved, undeterred by obstruction, opposition and obstacles, to set up the car manufacturing industry in India, by any means whatsoever

About that time the Jain-Dalmia industrial group had started the business of opening an aluminium factory at Asansol, after forming a company called the Aluminium Corporation of India Limited, with an authorized capital of fifty lakhs In such circumstances, he decided not to waste his energies in competition, but to concentrate them upon the industries which he was already conducting for manufacturing steamships, aircraft and motors The plan of opening an aluminium factory was laid on the shelf.

During the War period, he was very much taken up with expanding his old industrial interests and with making efforts to give stability to the quite newly started ones; and yet, if anyone offered him schemes for new business industries, he always showed an eagerness for considering these too and giving them a trial

One day in 1941 he received a phone call from the Bombay Government's Director of Industries and his friend, P B. Advani "Mr Walchand, tomorrow I am sending a Polish gentleman to you. His name is Bronislaw Podeczaski In Poland he has spent many years in the industrial field. He is a nicely accomplished and experienced gentleman. He has successfully demonstrated in Poland a business of making the finest starch from potatoes From his talk with me about it, I think that if you have such a man under you, you will be able to make very good use of him"

"That's good," replied Walchand "Just send him along, and I'll see."

to get a decent average return. 'Don't put all your eggs in one basket', runs a proverb in English Otherwise, one egg may make all the rest go bad! With money too, it is wise not to invest it all in just one place, but to spread it over as many different places as possible; and Investment Trusts invest their shareholders' money in different securities and shares Moreover, it is apportioned even to different countries, the object being to get a decent average return while keeping the principal safe. If a man of moderate means wants to invest his money in this way, in different securities and shares, by himself, he finds it impossible; the obvious reason being that his funds are limited It is only on a principal of combination and co-operation that this plan can be achieved "[6]

Walchand established the Share Investment Trust Limited,[7] as a private Company with fixed capital of the above type, on December 23, 1922 Its authorized capital was ten lakhs of rupees, out of which two lakhs were fully paid up by the sale of shares Even today the figure remains the same The Company seems to have had a preference for constantly increasing the liquid assets without increasing the principal When Walchand resigned from business in 1949, the liquid assets were as high as Rs 4,44,104 We find that Walchand invested 80% of the funds in companies under his control and leadership—Premier Construction, Ravalgaon Sugar Farm and Scindia Steam Navigation With the Trust's yearly income always rising, the shareholders have been getting their dividends in the same proportion right to this day

Investment Trusts are to be found especially in America and, to a lesser degree, Britain The first to establish an Investment Trust in India was none other than Walchand His Investment Trust was followed by Tata Sons' Investment Corporation of India, the Industrial Investment Trust, Bird's Investment, Oriental Investment, the Dena Trust, J K Investment, and other Trusts In industrially backward countries like India, such Trusts appear to be highly necessary Walchand appreciated this when he set up, even though on a modest scale, the Share Investment Trust, and thus introduced India to the new business of starting Trusts of this nature.

6 Prof V G Kale *Vyapari Uladhali*, (1935), p 39

7 The Company's first Managing Board Walchand Hirachand, Amichand Daluchand Shah, Gulabchand Hirachand, Ratanchand Hirachand, Lalchand Hirachand

company, in India. With this in view, Harry Gibbs began to negotiate with Walchand, who promised co-operation. And according to his invariable practice, Walchand collected sources of up-to-date information about manufacture of aluminium in Britain, especially about the affairs of the British Aluminium Company, and studied them closely. He made enquiry into the imports of aluminium into India[8] and the dealings on the market After doing all this, Walchand summoned Harry Gibbs to Bombay in the month of January 1935. He got him to write an informative note, with facts and figures, stating what measures would have to be taken, in case a factory was to be opened in India, how much capital would have to be invested, what was the cost of production in Britain, and what it would be in India

Walchand's first plan, after grabbing this Gibbs, was to open a factory at Radhanagari with a capital of two crores, after securing the assistance of Tata Sons and the Maharaja of Kolhapur The Kolhapur State had, for the purpose of some different work, conducted the building of a large masonry dam at Radhanagari, the impounded water of which could, if the height were raised, be used for generating electricity For the making of aluminium, an abundant supply of electrical power is absolutely essential, and such a supply would be easily forthcoming here The suggestion of the person Gibbs was that a generating station could be located in the small village of Phonda at the foot of the Ghats, and the factory opened in its near neighbourhood He also expressed his opinion that, the Radhanagari bauxite being purer than that of other places, it alone should be excavated for the making of aluminium Bauxite contains elements not required for aluminium—iron oxide, titanium oxide, and silica The less proportion of these there are, the better is the bauxite for the purpose of aluminium. Harry Gibbs was of opinion that the bauxite used in England contained the above unwanted elements to the extent of 55 to 60 per cent more than the Radhanagari bauxite In view of this, Walchand decided that if Tata Sons were prepared to help him as regards electric generation, he would pursue the Radhanagari project Accordingly he advised Harry Gibbs to call on one prominent and influential director of Tata Sons, Sir Naoroji Saklatwala, and talk to him about the Radhanagari project Gibbs called on Sir Naoroji, who displayed great enthusiasm for the project, and told that Gibbs that he would "consult his friends like

8 From the figures of imports collected by him, Walchand found that in the five-year period 1929-34 the value of aluminium imported into India from abroad was Rs 3,27,40,504

Dinshaw and Sir Chunilal Mehta" and convey his views to him "within a week". Harry Gibbs therefore called on Sir Naoroji a week later, anticipating an affirmative reply. In this Harry Gibbs was disappointed; and Walchand's proposal for the Radhanagari aluminium project fell through.

August 1936 saw the publication of a pamphlet[4] by Dr. Patel, the scientist from the Bombay Government's Industries Department, giving a detailed opinion about the possibility of making aluminium in Bombay through prospecting for bauxite on Tungar Hill. A perusal of this set Walchand's thoughts working again A merchant named Sonawala was taking action in the matter of the Tungar bauxite. If an aluminium factory did not come up in Bombay, there was a likelihood of the bauxite from Tungar Hill going to Japan Walchand's wish was that instead of its going there, an industry for making it into aluminium should arise in Bombay. For this purpose he began to consider opening a factory himself, with Sonawala's co-operation and some concessions from Government, in Bombay If this was to be opened, it would need arrangements for ample fresh water and electric power When both of these can be had cheaply, this industry has a chance of making good.

What was required was an ideal place for erecting the factory, one where both electric power and water could be had readily, and at a short distance from Bombay or Tungar Hill From this point of view, Walchand's choice fell on the village of Badlapur, on the road from Kalyan to Karjat He reckoned that if Government gave him water from the Ulhas River at Badlapur, and Tatas gave him electricity at a concession rate, the erection of the factory could be nicely managed. Of no less importance, along with these arrangements, was the arrangement for getting the requisite two crores of capital In May 1939 Walchand sent a letter to the Government of Bombay, enquiring whether it would help him to raise the share capital by guaranteeing interest at 3½% per annum for ten years At that time the Congress Cabinet was in office, Anna Babaji Latthe being the Finance Minister, which led Walchand to expect that his request would be viewed by Government with sympathy It had practically agreed to guaranteeing the capital required for his motor manufacturing industry. However, in November 1939 the Congress Cabinet resigned office, leaving the car factory and aluminium factory matters undecided.

Later, when the War came, the Army experienced a severe

[4] "Possibility of Production of Aluminium in Bombay", Department of Industries, Bombay Presidency, *Bulletin*, No 10

made a personal inspection of the situation He discussed his scheme with the Collector of Karwar and another gentleman of means named Sardar Pendse, and formed an estimate of how far he could get assistance from the official machinery and moneyed persons of the place He found everyone well disposed. If a high class financier would come forward to give a financial guarantee, Government would be ready to give Walchand permission to excavate manganese, and to afford such facilities as he might need.

In this connection Walchand called on Seth Manikchand Hirachand, a leading Bombay jeweller and proprietor of Manikchand Panachand Co Seth Manikchand was a very close friend of Walchand's father Hirachand, and his fellow helper in social activities He had an affection too for Walchand, whose daring ambition, ready wit and resourcefulness he admired Once in 1906, Walchand's power of resource extricated Seth Manikchand very skilfully from a delicate domestic crisis, which feat earned Walchand his great affection In the early years of Walchand's construction business, whenever he had need of financial help or guarantee, Seth Manikchand would gladly come forward to supply it For his new manganese industry Seth Manikchand indicated his willingness to give whatever help would be required

On obtaining the permit and funds for his manganese industry, Walchand began the work of mining But before the produce of this mine could be sold, the price of manganese fell both in the domestic and the foreign market The terms of business, too, were stringent It began to appear difficult to balance income and expenditure Moreover, the manganese which Walchand had found in Goa was not of a quality to stand up to competition Observing this, he quietly bore by himself whatever losses had been incurred, and quickly wound up the business For many years thereafter, with the exception of the Mohapani coal mine, he did not touch this kind of industry.

In 1927, Walchand's thoughts once again turned towards the mining industry. In February of that year he founded the Mining Syndicate Limited as a private company, taking his nephew Motichand Gautamchand Shah as his colleague At Savarda in Goa he entered into an agreement with a Japanese firm for the supply of manganese, and again commenced this industry under the auspices of this Company. But it did not last above three to four years

Since the manganese industry failed to yield the anticipated success, Walchand had to divert his mind from that industry ; and

1942 and 1946 he bought about 750 acres of land, both monsoon-crop and superior, valued at nearly one and a half lakhs of rupees, at Kalyan and in nine villages adjoining Badlapur—Barave, Eranjode, Varap, Jambhul, Sai, Ambivali, Valivali, Bolivali, and Katrap. And he started his planned work on a big scale under the management of Ravalgaon Sugar Farm He was trying to secure the Bombay Municipality's and Government's assistance for two years But nothing came to pass And so he resolved to achieve as much as he could, while trusting solely to his own strength and intelligence.

There being no sign of the expected help from Government as regards planting vegetables, the lands were used for rice crops and fodder for cattle In October 1942, he brought 24 buffaloes from Ahmedabad yielding plentiful and wholesome milk, and started his dairy business By the end of 1945, the number of buffaloes had risen to 500 The milk from this dairy was sent to Bombay Later, however, an epidemic of disease made a very heavy reduction among the animals It began to be evident that the Kalyan climate did not suit the buffaloes from Ahmedabad Of water, too, a severe shortage began to be felt This made Walchand think of getting some land on a thirty years' lease at Badlapur, near the river, and shifting his dairy there The buffalo stables were moved, but to move all the machinery and buildings began to appear difficult and costly Another thing, the prices of feed for animals had mounted to great heights, while the price of milk was controlled , hence even though the market rates for milk were constantly rising, since his income could not go on rising, he began to find himself obliged to supply his milk to fixed customers at a steady loss In these circumstances, by the end of 1945, he had to close down this dairy which he had started with such high hopes

About the time when the War broke out, he was revolving a scheme for opening a factory to make china vessels, on the model of Japanese factories, at Jubbulpore or Mohapani However, for several reasons, even after negotiations had gone on for two or three years, it could not be translated into reality.

The War had ceased. In the field of industry new problems were constantly being created, and Walchand's mind naturally turned towards solving them. He had now begun to feel more than ever that he should particularly consider how, while keeping his existing industries rolling freely ahead, to give them room for future growth

Government publications there might be giving information about potato starch, vanaspati ghee, and methods of sterilizing milk. At the same time he promptly wrote to Ganpule, Deputy Manager of his sugar-cane fields at Kalamb, to send his detailed opinion about the potato's qualities, its planting, its production in India, its capacity or incapacity for starch making, and so on. He sent potatoes for chemical analysis to Messrs. Hughes and Davies in Bombay. He got the officials of Government's Agriculture Department to send their agricultural experts and make a detailed investigation. The upshot of this was the following report :

"The potato has a carbo-hydrate content, suitable for starch, of from 13% to 20% In India, potatoes are chiefly grown for food In Western countries, special kinds of potato, principally Italian, are grown for extracting starch In India, potato crops are found in the Punjab, U P. and Bombay Province In Bombay Province there are 26,000 acres under potatoes, of which 16,000 are in Poona District Specifically, we find 10,000 acres under this crop in Khed Taluka alone Potato crops are obtained from Satara, Belgaum and Dharwar District also. This potato is for eating purposes The soft kind, from which starch can be made, is not produced in Bombay Province, but occurs in U P Compared with the potato production of foreign countries, ours is much less. In Western countries the potato season is for five months, while here it is a bare three or three and a half. Bombay Province does not possess the type of soil and climate which the potato requires Here it is severely attacked by insects and diseases If the question is definitely that of preparing starch, it will be preferable to use white or red sweet-potato, which has a season of six months and can be planted throughout the year, particularly in the post-monsoon season It can also yield plentifully, and is entirely immune from insects and disease "

On reading this expert opinion, Walchand sent white and red sweet-potatoes to the Poona Agricultural College for analysis, and asked for the opinion of its chemical laboratory The College's chemists gave it as their opinion that the sweet-potato had a 24 50% carbo-hydrate content and a 12 70% sugar content, and would thus prove more efficacious than the potato for starch making ; moreover, it would be possible to make from it a sweet preparation like glucose Bronislaw Podeczaski also accepted this view. This made Walchand plan to plant sweet potatoes at Kalamb instead of potatoes, and he proceeded to take further steps Presently, however, the man

Podeczaski, with whose help he had decided on starting this new industry, cancelled his plan of settling down in India, for financial reasons, and decided to settle down in America ; hence Walchand was obliged to cancel his scheme

Just a few months, less or more, had rolled by since the cancellation of the starch-making scheme, when on September morning, as Walchand was reading an English Farming magazine, a scheme of the very same nature burst on his mind His eye fell upon a learned article in that magazine, written by the Government of India's Agricultural Adviser Dr Burns, on the soya bean After reading it, he found himself agreeing with the case which Burns had made out therein, with hints and examples, namely that if soya bean is grown on a large scale in the war-time days of food scarcity, and many kinds of foodstuffs are made from it, it can prove highly useful for the purpose of nourishing and satisfying food, for the public and especially the Army

At this time, Walchand was camping at Simla, where Dr Burns was also camping Walchand promptly sent him a letter, saying that he was prepared to act on the other's suggestion in his article, plant 5,000 acres of land at Kalamb with soya bean under the supervision of the Agricultural Department, and manufacture from it food tablets which could be used by the Army. When Dr Burns read Walchand's letter, he was so filled with joy and enthusiasm, that he called on Walchand that same afternoon and began to discuss soya bean planting with him After a lot of discussion, Walchand told Dr Burns, "The Military Department should guarantee to buy the food tablets made from soya bean at an agreed price for some years. If it does this, then only can I get into this industry You must get the views of the officials concerned, and secure this guarantee for me I'll start the industry immediately."

Dr Burns then called on the military officials concerned, and mentioned Walchand's scheme to them, coupled with his own recommendation The conservative-minded military officials refused to amend their well-worn food schemes by including the soya bean Declaring that it was a new fad started by America and Japan, they consigned Walchand's scheme, together with Burn's commendation of it, to the waste-paper basket The military officials' petty-mindedness and aversion from experimentation made Walchand laugh. Seeing how these people, faced with the constant menace of food shortage, lacked the brains to consider a fresh approach to obviate it, made him pause. "How amazingly fond these people are",

Company, which built the 25-lakh diversion tunnel for this Dam This same Company completed the power house and other works, considered the largest in East Asia, of the Calcutta-Cossipore Electric Company ; one crore eighty lakhs of rupees were spent on these Just for Life Insurance offices in Calcutta City, this Company constructed buildings of sixty lakhs In the States of Bengal and Assam, it built twenty-four bridges costing two crores seventy-four lakhs for the B. G Construction Scheme

"In the five years from 1957 to 1962, this Company did 4 crores 16 lakhs' work of the Assam Railway, for which it built the Matda Bridge. This very Company completed a 35-lakh bridge for the Jiyabhoroli railway branch and a 61-lakh one for the road It did the construction of an oil factory's buildings at Gauhati, which cost one crore 38 lakhs of rupees In addition, Hindustan Construction did a further 23 lakhs' work for this oil factory This same Company built four bridges in Assam for one crore 37 lakhs

"In Orissa, Hindustan Construction took up several works and completed them within the agreed time It built the two 66-lakh Kuakhai and Kathjuri bridges for Orissa's National Highway This Company built a one crore 32 lakh railway bridge over the Mahanadi

"For the Ganges and Brahmaputra River bridges, this Company completed only the major works It had the two crore 45 lakh job of building just the foundations for the huge Ganges Bridge near Mokameh Ghat The same Company completed the one crore 51 lakh bridge over the Brahmaputra at Amingaon. It has 48 lakhs' work on the Gandak River at Sonpur

"For Bihar, this was the Company which completed the seven crore 70 lakh dam on the Son River It was Hindustan Construction which did the 70 lakh work of erecting the Sindri Factory This very Company built the 51 lakh bridges at Mayurakshi, Burhi Gandak and Kiyul.

"Among the Southern States, the Company did much work in Kerala This Company had the six crores 53 lakhs' work of the Sabargiri Dam, and it also did one crore 28 lakhs of additional work relating to this project In Andhra Pradesh, this same Company completed 38 lakhs' work of the Tungabhadra Project, while in Mysore, it had taken two crores' work of the State's Sharavati Project. This was the Company which built the 42-lakh bridge over the Netravati River, while in Madras State it was this Company which did the 38 lakhs' building of the Perambur Integral Coach Factory It was the Hindustan Construction Company which com-

Next day Podeczaski called on Walchand What he said, amounted to the following. "Experience has established that starch made from potatoes of good strain is of a higher quality than the starch made nowadays from maize or wheat Not only will such starch surpass in excellence the starch coming from foreign countries, but it will also fetch a decent price in the market Cloth manufacturers in particular will find it very suitable, and it can also be used nicely for other purposes. If potatoes are grown on a plot of between five and ten thousand acres, the starch producing industry is capable of being conducted on a big scale If it is made during the War, when the import of foreign starch is reduced to a minimum, the present shortage of it, which is felt by the cloth manufacturers, will be removed, besides, it will earn nicely You will be able to give the country a highly useful industry, which needs no great capital or heavy expense for machinery"

Walchand felt that this Podeczask's proposal was worth thinking about He told him, "Your proposal appeals to me I shall first have to get expert advice about the proportion of carbo-hydrates suitable for starch, which are found in the potatoes grown in India, what kind of potatoes should be grown for the purpose of making starch, how far it will be successful, taking into consideration the local climate, and other points I shall get this in no more than a week or two, and I will inform you of my final decision"

About the time when this Podeczaski was suggesting his industry for making starch from potatoes, Walchand was thinking about starting a vanaspati ghee factory, and a large dairy, at Kalamb (now Walchandnagar). On getting Podeczaski's starch-making scheme, Walchand sent a letter[5] to N R Pillay, Additional Secretary in the Government of India's Commerce Department, to send him any

[5] The scheme which Walchand was revolving in his mind regarding this industry, is set out briefly in his letter to Pillay (February 25, 1941)

'I am contemplating to put up 25 tons per day vegetable ghee capacity plant at Kalamb Sugar Factory in Poona District The consumption there of groundnut cakes is roughly about 10,000 tons per year Four thousand to five thousand tons of oil remains to be converted into vegetable ghee The can-making plant may also be useful to me in connection with big size dairy that I am putting up near the factory This dairy will have plant for pasturizing milk and the milk will be supplied to Bombay, a distance of about 190 miles For the present the transport will be effected by the narrow gauge and broad gauge railways After the war is over it is contemplated to have special refrigerated motor lorries, say three handlings

"The information as regards the Starch Plant of which I have got very little knowledge, that is required is what would be the cost of the plant to consume about the potato crop of 7 000 acres per season If the Government of India happen to have any literature on the subject, I would like you to send the same to me I need not add that the cost for all such literature will be paid for by me"

13.

LATER DEVELOPMENT OF EARLIER INDUSTRIES

THE five years of WORLD WAR II and the five following years made up a ten-year period of equal struggle and triumph in Walchand's industrial life This period saw the fulfilment of his long-cherished dreams of erecting the industries to lead India to economic freedom, and setting her on the road to economic expansion He had raised the factories for making steamers, aircraft, engines and machines, which would powerfully assist the country's economic growth, on strong and firm foundations, and through their agency opened as it were a new chapter in the country's industrial self-reliance

Even though during the War years and after, he appeared to be engrossed in ever new industries, yet his efforts never ceased for bringing the same many-sided development and expansion to the industries which he had started in his early years, as he brought to these In the years 1938-49 and after, a very great degree of progress was registered by his Hindustan Construction Company Indian Hume Pipe Company, Ravalgaon and Walchandnagar Sugar Factories, and Scindia Steam Navigation Company

Hindustan Construction Company · The initial actual paid-up capital of this Company, started as a subsidiary of the Premier Construction Company in 1926, was one lakh of rupees, which became 12 lakhs in 1939 and 61 lakhs in 1948 In this year (end of August) we find its assets and credits totalling Rs. 3,18,74,196-7-5 Between 1940 and 1948 it did work of the value of Rs. 41,08,25,903 In the three countries of India, Burma and Ceylon, it began to be found engaged in all sorts of construction jobs—buildings, tunnels, rail tracks, river bridges, dams, power houses, air-fields, steamer piers, docks, and so on In the years following India's attainment of independence in 1947, it boldly accepted many important construction works under the Five-Year Plans, and capably accomplished

them within the stipulated period. It is not possible here to mention all the jobs performed by Hindustan Construction from its inception up to today. Out of them, a few selections of different types are given below, from which an idea of their scope and achievement can be gathered.

"For Maharashtra's Koyna Project this Company did most of the work, building by itself the two crores thirty-five lakhs' Pressure Shafts Power House In the Project's third and fourth stages, 34 lakhs' worth of work went to this Company. It did the work of building the Vaitarna Dam for the Bombay Municipal Corporation, amounting to six crores fifty lakhs of rupees The thirty-lakh construction of the Kalyan Power House was this Company's. This it was which built the sixty-lakh reservoir at Bhira for Tatas, while the bridges over the creeks at Ver, Vasad and Dharamtar are the work of this same Company

"After the attainment of Independence, the question arose of building capitals for Madhya Pradesh and East Punjab Chandigad became the capital of the Punjab, and Bhopal the capital of Madhya Pradesh Bhopal at least was a State, but Chandigad had to be wholly shaped anew Chandigad was designed by a foreign architect. but the actual construction work of the Secretariat, Law Courts, and all other buildings was done by Hindustan Construction At Bhopal the first question to crop up was the provision of quarters for the Government servants who would come there, and this inspired the creation of Tatya Tope Nagar. At Bhopal this Company built one crore fifty lakhs' worth of houses for Government servants. The Bhilai Steel Works are the backbone of our Plans. The work of erecting this backbone also was done by Hindustan Construction, which did almost 27 crores' work for the Bhilai Steel Works The two crores eight lakhs' construction work of the Satpura Thermal Power Station belongs to this same Company This very Company did the work of the forty-lakh Yeshwant Sagar Dam near Indore It did bridge building on the Khandwa-Hingoli line and other work amounting to 43 lakhs for the Central Railway In Madhya Pradesh alone, this Company has performed major works in connection with the Five-Year Plan, to a value of more than thirty crores

"In the four States of Assam, Orissa, West Bengal and Bihar, the Hindustan Construction Company performed works which it would be difficult to match. It was given lakhs of rupees' worth of work in the Damodar Valley Scheme. The 65 lakhs' construction work of the underground power house for the Maithon Dam belongs to this

he exclaimed, "of stagnation!"

With the addition of soya bean production, India's agriculture would have acquired a new strength; the farmers and manufacturers of foodstuffs would have found a new industry and made ample profits; and the industrialization of agriculture would have received a kind of fillip too. It was from this very angle that Walchand had approached the soya bean growing industry

At this stage of World War II the supply of grain, vegetables, fruit and milk was daily growing shorter, while their price was steadily rising It was a case of falling production and rising demand Government's Publicity Department was proclaiming "Grow More Food", without however indicating definite ways of growing it Certain people came forward with offers to set up joint industrial bodies for increasing food production and asking to be given land, water and necessary implements, Government gave these persons mouth-filling promises, but showed no signs of doing anything concrete Talks dragged on their weary length, letters passed to and fro for months together, only to produce in the end—nothing

After his soya bean growing scheme fizzled out, it occurred to Walchand, one day in 1942, that he might try to mitigate in some degree or other the country's increasing dearth of milk, green vegetables and fruit He began to think of getting his own land in some place close to Bombay, not too far from the local railway line, and making a big dairy and vegetable garden He had already made a beginning of producing grain and vegetables at Ravalgaon and Kalamb, but their produce was barely sufficient for those colonies In both places he had opened new style dairies The milk surplus to these colonies was sold at Malegaon and Poona respectively Walchand's mind was revolving a scheme for supplying cheap pure milk to the whole of Bombay City, and vegetables and fruit to the Army At this time the Bombay Municipality was thinking of making the buffalo stables shift outside the city In view of this, he started manœuvres to get the Municipality to help his new enterprise by granting him an exclusive licence for milk supply. He showed his willingness to raise different sorts of vegetables on a plot of 375 acres or so, under the guidance of the Director of Agriculture, and to supply these principally to the Army at an agreed rate, in which connection he also placed a scheme before it. In accordance with his proposal, he bought land at Kalyan and Badlapur, at the end of 1942, and started his industry Between

pleted the task of completing the one crore's work of the Navamali Tunnel and Aliyar Tunnel for the Perambikulam Aliyar Project and the four crores' work of Waltair's D. B K. Project.

"In Gujarat, this Company had also taken the work of building the State's Tapi River Bridge, and in addition the Company built the 44-lakh bridges at Savkheda and Sarnagkheda as well

"At Visakhapatnam, it was Hindustan Construction which did the work of building the two crores' dock for the Scindia Company At this same harbour, this Company did building of this very sort for the Indian Marine. At Chittagong too, Hindustan Construction did the work of building a cargo wharf After making a name for itself by building bridges, tunnels, roads, dams, power houses and docks, this Company performed a job without parallel for the Bombay Port Trust it provided for the carrying of oil by laying a 12,600 feet long submarine pipe line which lies 10 feet below the bed of the sea, between Butcher Island and Pirpau. The cost of this was almost two crores of rupees, and Hindustan Construction won a name for being the one and only organization in India doing this sort of work, laying pipes on the sea bed "[1]

In addition to this work, during the period of World War II this Company accomplished many large and important jobs for the military, within the prescribed time and in an excellent manner, and thus earning plaudits from the Government

The above-mentioned works occurred partly during Walchand's regime and partly after it, yet all the civil engineers under whose eye they were done, had been trained in Walchand's school He had created a strong, disciplined and progressive body[2] of picked engineers, intelligent, good at schemes, hard working and active Each engineer in this body held a high academic degree. Prominent leaders of the body were men like the experienced, devoted and capable British engineer Alexander Burns Lawson [b October 6, 1891, d January 18, 1954] and Shiv Chandra Banerjee [b March 10, 1890, d December 1. 1959] with his lusty zest for work, a manager of as optimistic, bold, decisive, proud and fearless a character as his master These two were Walchand's strong right and left hands, and claim a very large share of the lofty success achieved by Hindustan Construction. Lawson and Banerjee lent their unsparing

1 Madhav Gadkari "Walchand Udyogsamooha", issue of *Vaibhav* in honour of Lalchand Hirachand, October 1964

2 The engineers in this body were as follows Alexander Burns Lawson, M V Joglekar, M P Shah, M C Master, B P Kapadia M D Bharucha, E M Billimoria, M R Vardarajan, K R Deshpande, P N Nariman, G V Kulkarni, S S Godbole, R W Mulgaonkar, S C Banerjee (Manager)

efforts, for 30 and 44 years respectively, for the rise of the Company, with unbounded loyalty and devotion. It could not be called any sort of exaggeration to say that Hindustan Construction, and that Construction House at Ballard Pier from whence its management is carried on, are actual memorials to those efforts of theirs.

Along with Lawson and Banerjee, mention must be made of a third individual also. This is none other than Walchand's most trustworthy secretary Bhalchandra Daji alias Bapusaheb Sardesai [b. November 11, 1891, d. April 16, 1958]. Bapusaheb was at the same time Walchand's Private Secretary and Secretary to all his industrial companies He had started service in 1918 as a humble clerk with Pathak-Walchand & Company. With his unerring appraisal of a man's especial qualities, Walchand entrusted him with all sorts of responsibilities, and indirectly trained and moulded him His formal education had stopped at matriculation, but Walchand gradually initiated him into all the ramifications of his affairs, got him to work under his own guidance, and turned him into the kind of secretary he wanted The virtues which Walchand recognized in him, and for which he gave him the vitally important post of Secretary, were a burning devotion to work, freedom from sloth, regularity, acute sense of responsibility, studious nature, the disposition to think deeply upon each question and decide it in consonance with his master's policy ; the ability to pick his path with care, not allowing his balance of mind to be upset by times of difficulty ; the knack of considering his colleagues and the employees of his organizations, and getting ready work out of them His outstanding loyalty to his master was tested on many occasions And this is why Walchand was so often able to turn over to him tasks of very great responsibility and trust, leaving himself with a clear mind to concentrate on other activities Walchand's unbounded confidence in Bapusaheb was matched by an unbounded affection for him In a very real sense he looked on him as his own kin

Just like Bapusaheb Sardesai, Shiv Chandra Banerjee was another man from Walchand's industrial organizations who had climbed up from the very lowest rung, through his own efficiency, until he reached the topmost rung He was not only the chief manager of Hindustan Construction, but he was also one of the directors both of that Company and Walchand's other companies. Walchand treated him on terms of equality, which struck many people as extraordinary. Banerjee was a quick-tempered gentleman, and possessed the faults that go with persons of such a character, but

Walchand's appreciation of his perseverance and creative ability induced him to turn a blind eye to these faults To those who capitalized on his faults and made complaints, he used to say. "No man is ever perfect Faults must go along with virtues What we have to look to is, how far the man's virtues are helpful from the standpoint of our task In how many people in our companies will you find Banerjee's high standard of devotion to his job, his daring character, his venturesomeness, his insistence that 'Well begun is half done', his readiness to face any adversity unflinchingly? How many people have his courage to take a mountain of work on himself? In my work, I make it my business to see who gives how much help and of what value Let yourself show as much efficiency as Banerjee, and you will get the same position and authority as he's got Authority never comes from asking; it has to come from hard work." At this point the complaining tongues would be silenced

Banerjee was from Bengal State After training in the Burdwan Technical School, he served for a while in the engineering department of Assam-Bengal Railway Thence at some time or other he migrated to Maharashtra, and took service with the Barsi Light Railway In 1915, contract work on this railway brought Walchand into touch with him. Owing to some insulting incident, Banerjee quitted service with the Railway, and then Walchand took him up Hindustan Construction was able to make very smart progress, thanks to his unusual qualities of collecting detailed information about the work to be undertaken, and his skill in accomplishing it with an unobtrusive regularity, his managing capacity, the shrewd tactics by which he would fight an opposing rival without asking for quarter, and grapple him with all sorts of holds before throwing him, the far-sightedness with which he would calculate the future and pave the way for his own organization's victory, his ability to breathe an air of enthusiasm into the people under him and get them to despatch their work at lightning speed Seeing how well Banerjee was suited to Walchand, some persons quite naturally exclaimed, 'Like likes like"

Although Banerjee himself held no degree in civil engineering, his knowledge of the subject frequently put that of highly qualified civil engineers into the shade This was demonstrated to many people at the time of the Bhor Ghat Tunnel work When Polak, who had been specially brought from Africa as an expert, went and left the job right in the middle, Banerjee, not in the least

perturbed, took the whole burden on himself and accomplished it safely for all to see. It was his able supervision which successfully accomplished such challenging civil engineering jobs as the Kalabag Bridge over the Indus, the Sukkur Barrage Works, the dock and wharf at Visakhapatnam, the Vaitarna Dam, the huge Ganges Bridge at Mokameh, the Rihand Dam. In view of these achievements of his, in the post-Independence period the Indian Government put him on many committees He was sent as employers' representative to many sessions of the International Labour Organization. Walchand too, recognizing his ability, took him on the managing boards of practically all his companies. Indeed, in course of time he alone shouldered the burden of the affairs of Walchand's construction department

Walchand's peculiar gift of unerringly discovering gifted individuals, and attaching them to his organization, is exemplified in the way in which he selected this pair—Sardesai and Banerjee—and put them in the right posts

A third pillar of Hindustan Construction was Alexander Burns Lawson, whom Walchand had selected with some different object Frequently we find his critics reproachfully exclaiming, "Walchand is always trumpeting his patriotic loyalty, but when you look into the facts, you find that a so-called 'Indian' company like Hindustan Construction has a foreigner like Lawson as its Chief Engineer" Even some of his employees often felt the same way An engineer from his organization, K R Deshpande, once actually expressed his misgivings about this to him, saying, "With respect, Sir, you say that the Hindustan Construction Company is 'Indian', and yet you have appointed Mr Lawson Chief Engineer It is also noticed that from time to time you have employed Mr. Watson,[3] Mr. Maddox[4] and other engineers How do you breathe hot and cold at the same time ?"

To this Walchand replied, "Although I am a self-respecting Indian, still there is a limit to my 'Indian'-ness Suppose I have to go through a jungle with a lakh of rupees. I need a gun for my self-protection First, I will do my best to buy an Indian gun But if I don't get an Indian one, I'll purchase a foreign gun I'm not the fanatical sort to insist that being robbed of one lakh in the jungle doesn't matter, but I won't buy a foreign gun. I want to run a company doing contract business I want to get jobs for it At

3 Retired Chief Engineer, Improvement Trust, Bombay
4 Retired Chief Sanitary Engineer, Bombay Presidency

present, all the chief officials in the Railways and the P.W D are Europeans. In getting jobs, they are the ones I have to deal with. By sending European engineers to talk to them, interviews with the officials can be had quickly and it becomes easy to get the jobs Another thing is this: I have kept the European engineers as servants; they have to do what they're told; I've never given them any independent authority. Look at it this way · an engineer like you, getting a pay of five hundred a month from me, collects thousands of rupees needed for the Company's Nanded work from the Nanded traders, and gives those traders pay-on-demand drafts on my Bombay office, and my office discharges them on presentation; but a man drawing two thousand five hundred a month, like Mr. Watson, when I tell him to go to Calcutta, has to ask the Company's secretary before he can draw the fare money Mr Watson can't directly order the Treasurer to bring him the cash That's what I call 'Indian', have you got there, my friend ?"

Walchand, it is true, appointed some very highly paid European engineers from time to time for good and sufficient reason, but only for a short period—this Lawson being the sole exception Lawson held a high degree. Trained in the City and Guilds of London Institute's Technical College, he had worked under men like Dr Oscar Faber, and had done steel frame designing and reinforced concrete construction work as Chief Assistant Engineer to the Trollope and Collins Company of London In 1920 he came to Bombay and began to work for Marsland Price & Co as Chief Engineer When, later, this Company went over to Tata Construction, he naturally went on working for them He served with Tata Construction (afterwards, Premier Construction) and Hindustan Construction for 30 years, during which time he accomplished jobs of nearly 60 crores The Siphon Spillways on the Yeshwant Sagar Dam at Indore, and the reinforced concrete hangar at Indore's airport, are reckoned as fine examples of Lawson's designing and civil engineering skill Walchand had a very warm feeling for Lawson as a loyal and trustworthy engineer of advanced ideas and balanced judgement

By attaching to Hindustan Construction gifted men of such widely varying natures, yet proved useful and serviceable from the standpoint of the industry's growth, Walchand placed it in the forefront of India's construction industry. The Company which had started thirty-nine years ago with a capital of one lakh, today possessed a capital of ninety-seven lakhs There is not a single com-

pany in India which can challenge it, today at least, in the industrial field

The Indian Hume Pipe Company . The extensive history of this Company has already been related in another chapter From 1936, a younger brother of Walchand's, Ratanchand, began to manage it A man full of enterprise, like his elder brother, in later years he brought to this Company an enviable expansion. In 1939-40, he started the new development of making penstocks,[5] which the Indian Hume Pipe Company was the very first company in India to start In 1938, Ratanchand learned that the Madras Government was framing a scheme to dam up the water of the Papanasam River in Tirunelveli District, and erect a large hydro-electric generator, and that it was thinking of bringing the whole of the machinery, and other machines, from England At that time, a Congress Ministry was in office He met the Chief Minister and advised him that his Company could manufacture the steel penstocks required for this scheme, that there was no reason to incur the vast expense of bringing the machinery and machines out from England, and that by arranging for pipes to be had locally, the cost of transport would be saved The Chief Minister told him to meet his European Executive Engineer, by name Henshaw This Henshaw was amazed to find an Indian company showing the audacity to make penstocks "There are no men in India today," he told Ratanchand as he turned him down, "acquainted with the secret welding technique which this business calls for; which means that this job cannot be done by you It is not possible for me to consider your request" However, by putting pressure on the Ministry, Ratanchand got some work of building pipe-lines after manufacturing small-scale penstocks But high-power penstocks, Government's engineering department still decided, must be brought from England

After a few days, as soon as the order reached his hand, Ratanchand opened a factory at the project site, and with the help of his four engineers, Meswani, Patwardhan, Patel and Shah, he started the business of making penstocks out of Tatas' steel sheets, from September 1939 Within the agreed time, he made the penstocks in such a manner as to satisfy the tests of Government's engineerng department, and also assembled a line of them The War having started, it began to appear impossible for the expected

5 The section of the pipeline between Surge Tank and Turbines is called the Penstock This section of the pipeline is subjected to the maximum water pressure and therefore it is the most important portion of the work

high-power penstocks to arrive from England, Government therefore presently assigned the work of these also to the Company. This was a very great triumph for the Indian Hume Pipe Company. Later on, the Company made increasing improvements in the manufacture of penstocks, and won fame as a company dealing in this line. In course of time, the Indian Hume Pipe Company supplied penstocks for the Moyar, Jog Falls, Sharavati, Koyna and such-like hydro-electric projects, and greatly helped towards making these a success Recently the Company has started a separate factory making steel penstocks, at Hadapsar near Poona. On the heels of penstock making, the Company has started the new business of making pre-stressed concrete pipes by the Rocla process, as well as shapely poles of reinforced concrete to support electric cables, and light standards Here too it has met with good success Thousands of these poles are used for electric transmission lines all over the country. Today the Company's sales are not confined to the limits of India, Ceylon, Burma, but are also maintained on a large scale in the countries of Middle-East Asia.

Ravalgaon Sugar Farm · Just as with Walchand's other industries, after 1940 this farm also maintained a very brisk expansion In the beginning it used to employ the machinery of the British firm of Duncan Stuart for making sugar In 1940, the factory installed German machines capable of crushing 600 tons of cane a day Walchand insisted that only such machines as were essential but could not be made in our country should be ordered from abroad; and for the rest, so far as possible only those made in India should be used; if any machines were not being made, they should be got made. In accordance with this insistence of his, many machines were ordered from Bombay, Calcutta, Satara, Kirloskarwadi and other places Between 1940 and 1956, Chief Chemist Gundurao brought about a number of technical advances in the factory, as a result of which the rate of daily crushing rose to 1250 tons

Recognizing that by-industries possessed just as much importance as sugar-making, during the years of World War II the factory experimented with making sugar candy and modern-style confectionery out of sugar, wax out of the factory's waste scum, and cardboard and paper out of the trash left over after cutting the cane. Of these, the experiments in making sugar candy, confectionery and wax proving successful, the farm opened three separate factories for them. Their story will be found to provide as much

guidance as information

Sugar Candy · After the Sugar Factory had begun to produce bright granulated sugar, Walchand looked forward to its achieving the next step, the production from this of pure, crystal-like, sparkling, snow-white sugar candy. The Ravalgaon Sugar Factory started in 1933 With the object that improvements should be made in all branches of sugar production, Walchand himself used carefully to collect information about the relevant researches proceeding in the Cawnpore Sugar Research Institute Often he would invite the experts of that place to Ravalgaon, and also arrange for their discussions with the factory's executives Later, in 1940, a sugar candy research centre was started at Ravalgaon with Government assistance.

We Indians have known sugar candy from very ancient times Since it is pure and good for health, the doctoring fraternity has painted its medicinal virtues, while the religious fraternity has made it a feature of ceremonial worship In North India, sugar candy is known from the way in which it is made, by such names as "pool sugar," "pan sugar," "artificial sugar" and others Yet these old traditional methods of making sugar candy called for many improvements In the first place, experts who knew the science of sugar had not touched this industry Those who had touched it, were half-trained persons possessing an ancestral art like workers at a village cane-crusher. Their implements too were old, traditional and crude Iron frying-pans, furnaces belching forth the smoke of coal or wood iron vessels or earthern pots to hold the lumps—these were their implements When the sugar-candy was to be tested, a finger was used. Neither rhyme nor reason here The purity and constitution of the sugar candy would be left to the whim of the man making the test. With a few exceptions, these lumps of sugar did not even have a crystalline shape By hoary usage, this sugar candy served in medicine and religious ceremonies as something pure and holy

As soon as the sugar candy research centre under the supervision of the Indian Institute of Sugar Technology was opened at Ravalgaon, the sugar factory experts began to take an interest in it The sugar candy experiments began with the additional technique of crystallization In place of open coal furnaces, came steam furnaces; the fill of sugar began to be boiled in vacuum pans; instead of by finger, testing of the fill began to be done with the aid of sensitive instruments The scum on top of the boiling sugar used to be removed by a bowl or twig; instead of this, it began to be

removed by a mechanical filter. The fill of sugar began to grow wonderfully pure To hold the lumps, there came scientifically fashioned bowls and bags; and astonishing to relate, the lumps of sugar candy which came from them had the full shape of that crystal While some were the size of peas, some were as big as lemons; but all alike were sparkling At first this technique was not properly grasped Many difficulties occurred Sometimes good crystals would come, but in very small quantity; sometimes it would be all granulated sugar, sometimes the crystals would come big, but have no sparkle Within a very short time, uniformity was achieved, and the production of sugar candy began to be systematic

When the bowls and bags in which sugar candy is made are emptied, they yield up not only good crystals but also pairs of crystals, inferior lumps, and a thick layer formed of large and small lumps The sugar candy made from these is classified according to the large or small shape of the lumps. These kinds are known by such names as "Candy Nos 1, 2 and 3", "flower-buds", "grains", "pearl candy" and so on After the sugar candy is removed from the bags, some impurity is left behind, which is called "Mother Liquor" Cutting the square back portion of a large sugar candy crystal at regular intervals gives thin flakes; these are known as "leaf sugar candy"

In sugar factories the fill of sugar is boiled in vacuum pans The sugar grains formed in them grow in a state of motion Experiments were started to see whether lumps of sugar candy could be formed on the same method, or not A tank was made in the factory's smithy After many days of trying, this began to yield loose lumps of sugar candy of a uniform shape. Formerly it used to take eight to ten days for sugar candy to come from the fill poured into the pans, but by this new method sugar candy began to come already formed in the space of ten to twelve hours This contrivance is called a 'rotary crystallizer". This discovery modernized the making of sugar candy From making the fill of sugar to boiling the fill, loading the bowls or bags, emptying and drying the lumps of sugar candy from them, breaking the dried lumps and sorting them by straining through a mechanical sieve—all these things began to be done with the help of machinery, and sugar candy production began to function systematically. A growing demand began to come from drug manufacturers for the special type of sugar candy known as "candy small". In 1945-46 the factory made 280 tons of sugar candy In 1962-63 the production of sugar candy was 616 tons and

of candy small 248 tons. At present this factory's machinery for sugar candy has been increased, bringing its capacity up to a potential 10 tons of production per day. It is today manufacturing all grades of candy such as coffee-crystals, pearl candy, special, etc.

Today at any rate, this is the one and only sugar candy factory, run on modern lines, in India This factory has not confined itself to the making of sugar candy; for seven or eight years it has conducted a research centre, and has imparted proficiency in the science of sugar candy manufacture to 200-250 chemists and foremen, who have come for training from Maharashtra, Karnatak, Madhya Pradesh, Bihar, Uttar Pradesh, Madras, Punjab, Utkal and other States Walchand ever insisted that the benefit of the knowledge and experience gained by his factories, as well as the research done by them, must go to the people of his country And so—often at the cost of suffering financial loss—he would make it his business to give the benefit to others no less than to his own factories

Modern-style Confectionery Some eight to ten years had elapsed since the starting of the Ravalgaon Sugar Factory Walchand was always revolving thoughts in his mind of supplementing the sugar production by starting some additional by-industries It was from such thoughts that the idea of a factory for making modern-style sweets was born

One day in 1943, some old implements were brought from Nasik City and peppermint balls were prepared in a small frying-pan Here is what Mr Lonkar, the present Chief Chemist of the Ravalgaon Sugar Factory, has to say.

"We had neither experience of making this stuff, nor knowledge of selling it It will be difficult to give even an idea of the large number of difficulties which had to be faced in the beginning In those days, the wares circulating in the market were of well-known European firms like Pascal, Blue Bird and Sharp. Moreover, some indigenous manufacturers used to display their wares under the name of 'English' From the very beginning, Seth Walchand insisted that the standard of our wares must be high, that they must establish a demand through their excellence alone, and that they must enter the market under their own name To achieve all this was no easy matter How many experiments it needed! What a heavy financial drain had to be borne! But through our good Master's encouragement, we were able to put excellent goods on the market When the very first outside order came for a few hundred-weight of goods, we had to ask ourselves how we were going to fill

it. For we had not got so much stuff ready, and our production was increasing slowly and gradually, just as experience came to us. Packing too began to be done in modern fashion Under the 'Ravalgaon' brand, our stuff began to challenge the stuff imported from abroad Those very merchants who in the beginning ignored our wares as 'native', later began to beg for our wares

"Increasing demand brought increasing production also The work was conducted with the use of machines made in India itself. But Seth Walchand, taking the long view, must have decided that this could not last for long ; since there appeared to be a possibility of conducting the industry on a very large scale, this made it desirable to install machines of modern make He sent the then Chief Chemist of the factory, Gundurao, abroad He stayed six months in Europe, studying the machines in various factories making confectionary, and methods of making the stuff Then, after consulting Seth Walchand, machinery was ordered from abroad which would suit India's climate and methods of work This was installed in a capacious building, and in 1949 the opening of production in this new building was celebrated at the hands of Seth Walchand's nephew, Seth Govindji Raoji

"Along with sugar, confectionery making requires these ingredients glucose, souring, colouring, and scented essences Again, making boxes or tins for it requires cardboard or metal sheet, and wrappings are needed with attractive coloured printing The materials used for these, Seth Walchand insisted, must be indigenous His policy was that only those materials should be imported from abroad which could not be had in India, and in accordance with this policy pains are taken to have the materials made by Indian manufacturers, great and small This has resulted in encouraging the manufacturers, great and small, who make these materials

"The layout of the confectionery building is very attractive, being a trefoil In the left-hand portion machinery is installed for making the tins we require—large or small, square or round, with lids loose or fixed In the same portion is the section making peppermint squares and lozenges In the same place is a row of pots for preparing wrapped almonds, cummin seed fennel and other substances In the central portion are the ovens for making toffee, chocolate, etc. Cutting them into rounds or squares, drying them, wrapping them in different kinds of paper, packing them after being weighed in the right kind of tins or boxes, removing air from the tins and sealing them shut—all these tasks are performed mechani-

cally. This machinery is installed in a spacious hall in the central portion.

"Things made of sugar absorb water Sweets made from sugar with the scent, taste and shape of different flowers and fruits find their way to far distant countries with a climate as hot as India. In order that the goods may keep their flavour and scent permanently fresh, from the time when they are prepared up to the time of being packed in tins, the air is carefully maintained at a special temperature and humidity. This prevents the goods from getting sticky, and keeps their flavour fresh

"In the right-hand portion of the building, there is a store-room for raw goods and goods ready to be despatched. From here, goods are sent to Bombay, Calcutta, Delhi, Madras, Trivandrum, etc Adjoining the central hall is the office, and a small experimental laboratory Here, new experiments are continually being conducted, raw goods are inspected, and ready goods are tested A careful note is kept every day of goods produced

"Whether it be peppermint balls or shrikhand cakes, toffee or chocolate, all these things are eatables, and hence perfect cleanliness is maintained both in and around the factory building A scrupulous watch is kept on the workers' health, and Government regulations in this regard are rigidly observed

"A hundred or so different kinds of sweets are prepared, with the taste, colour and flavour of Indian and foreign flowers and fruits—rose, orange, lemon, pineapple, banana, date, guava, mango almond, fig, raspberry, peach, and so on Our specialities are peppermint squares, fresh milk toffee, and lacto bon-bons They have begun to be copied by other factories For packing these sweets, there are many shapes of tins, from 100 grammes to 15 kilos, printed with many kinds of pictures in various colours Their colour combinations are so beautifully arranged, that the customer is led to praise them still more, and still more to praise the contents

"Our sweets reach the farthest corners of India, and are relished by young and old alike Plane and steamship passengers, and mountaineers, keep our sweets by their side Naturally there is a growing demand for them In 1943 the production of them was 328 tons; today (1963) it has gone up to 1830 tons

"The machinery installed in this factory has all been imported from abroad It wears out; breakages occur Formerly, spare parts for repairs had to be fetched from abroad, each time. From the beginning we devoted our efforts to removing this dependence

on others. As far as possible, the factory began trying to make the required spare parts, of all sizes, in its well-equipped workshop. This has led us to begin manufacturing the machines required for making confectionery, in our own workshop These manufactured machines are giving excellent service I am confident that before long, considering India's climate, water and temperature, the machines made in our workshop will be supplied, as demanded, to other factories also, and that they will give excellent service[6]"

It was Walchand's ambition that his factories should turn out goods fit to challenge foreign goods This factory fulfilled it, just like his other factories, and in a short space of time won a place of a high order in the field of confectionery It can boast of being the second biggest factory in India with a capacity of 13 5 tons per day of 8 hours

Cane Wax Not merely in India, but in this central portion of the Asian region, the Ravalgaon Sugar Factory is the only factory in which sugar-cane wax is produced as a by-product At the touch of the magic hand of science, they say, even earth is turned to gold And so, literally, this sugar-cane wax is extracted from earth—the earth which comes after straining the cane's turbid juice, the earth which is thrown back on to the field as fertilizer This earth is used as fertilizer fit to go back in the field, after this wax has been extracted It is like the saying "Eat your mango and sell the stone."

The year is 1944 In the Ravalgaon Sugar Factory, along with sugar production, things made from sugar—sugar candy, golden syrup, confectionery, and other things—began to be made Experiments had started for making writing paper and cardboard from cane trash Through the encouragement of the two directors Lalchand and Govindji Raoji, the winds of research had begun to play over the chemistry staff working in the factory Each chemist had been assigned one subject for research—candy, confectionery, starch, glucose, activated carbon, cardboard Every week or fortnight, a session would be held, with a discussion on the research of each one in turn From one of these sessions sprang the idea of extracting wax from sugar-cane Great amusement was caused by the production, in the factory's experimental laboratory, of a scrap of wax weighing scarcely one tola in a tiny piece of glass apparatus. Machinery capable of extracting five to seven pounds of wax at a

6 An account specially written for the present book by Mr Lonkar

time was promptly made in the factory's smithy, and production of it—on a small scale, no doubt—made a start.

A close examination of sugar-cane will show, at the bud-place of each joint, a covering of a sort of white crust, in greater or lesser degree As to the reason for this covering on the sugarcane, experts are not yet agreed Yet the fact remains that the leaves of Palmyra palm, coco palm, screw-pine and *Kalnar*, and the joints of the sugar-cane and bamboo classes of plants—all growing in the tropical zone—have this covering Possibly Nature must have intended that in hot weather the level of water in these plants should be kept up In Chile and other equatorial areas of South America, grows a kind of palmyra, from the covering of whose leaves is extracted the famous Carnauba wax Wax can even be extracted from the fibres which emerge while making rope from the leaves of the screwpine

The first factory for extracting wax from sugar-cane started in South Africa in 1916 This wax produced there used to be sent to Europe and America Later, on the termination of World War I, Carnauba wax began to be available in large quantities, this reduced the demand for wax from sugar-cane, and in 1930 these factories closed down

Samples of the wax extracted, after various experiments, by the chemists of Ravalgaon were sent to Cawnpore's Sugar Institute, to shoe-polish manufacturers Tata and Bata, to Kores the makers of carbon paper, and to other manufacturers All of them gave their opinions that this wax was useful and helpful for their respective production This also brought immediate demands for the wax Whereupon the factory decided to install the sort of machinery which could produce about 200 to 250 pounds of wax per day

Sugar-cane wax is hard and black in colour, with a melting point of 65 to 75 C Wax of this kind is principally used for making shoe polish and carbon paper Sugar-cane wax has the quality of giving the necessary shine to shoe polish, but the quality of solvent retention for keeping shoe polish permanently soft is absent from this wax Polish made from this wax dries soon, while in carbon paper it retains a certain stickiness For use as car polish, in addition to the above objections, its black colour is an impediment Accordingly, with a view to removing its defects and introducing useful qualities, further research was begun Within a very few days, wax of three different colours—yellow, chocolate and pure white—was produced in the experimental laboratory How-

ever, the cost of preparing it being found excessive, the idea of producing it had afterwards to be abandoned

The initial experiment for preparing carbon paper, shoe polish, etc., from sugar-cane wax were made by the factory itself, which also produced them on a small scale Yet it all remained at the experimental stage

A great deal of research has been done on sugar-cane wax in Australia, New Zealand and America In India, after costly experiments by the Cawnpore Sugar Research Association, Poona's National Chemical Laboratory, and Delhi's Shri Ram Institute, the above-mentioned defects have been eliminated, and wax has been prepared of a high standard At Walchandnagar, too, research has been done on it in a completely independent manner, and on the model of the famous German I G Works, wax has been prepared of different kinds, with different qualities for shoe polish, carbon paper and fruit preserving There is a great demand for it But at Ravalgaon, for certain reasons, to take up the production of these different kinds of wax has not yet been found possible Production has been developed of crude cane wax only

There is a demand for hard wax of vegetable origin, such as sugar-cane wax, for the production of certain specific objects. Carbon paper and shoe polish have already been mentioned above Use of this wax can also be made for insulating tapes, chemicals for preserving paint, fruit and vegetables, beauty preparations, greases, printing ink, and sound-absorbent sheets

Imported Carnauba and similar wax, with which sugar-cane wax could compete, is at present imported into India to the tune of one crore of rupees annually This means that if the waste from India's sugar factories were to be used, and a beginning made of extracting wax from it, the burden of India's foreign exchange could be reduced by a crore of rupees per year—apart from the fact that a new and profitable industry would be established in our land This is what Walchand had in mind when he encouraged the experiments in wax production at Ravalgaon The factory there is still quite small But with its strong and scientific basis, there is not an iota of doubt that, when the right moment arrives, it will begin to flourish, like the other factories in the Walchand Group, in a blaze of glory

Walchandnagar : In 1933 Walchand established a sugar factory at Kalamb under the auspices of Marsland Price and Com-

pany; and the story of how he triumphed over the most adverse conditions, and of the splendid shape which he gave to it within a mere seven to eight years, has already been told in an earlier chapter It was learned that certain Peasants and Workers Unions, taking advantage of the farmers' ignorance, were circulating among them designedly false rumours that "since Marsland Price was a British Company, the money it earned was going to Britain" Hence in 1944, the name was changed to "Walchandnagar Industries Limited" Since at about this time, in addition to the sugar factory, industries had been started at Walchandnagar for oil, vanaspati ghee, soap and milk, this change of name must have been welcomed by the Directors

The progress made in the Walchandnagar sugar factory and farming, during the War years and thereafter, with the help of modern and up-to-date appliances, was enough to take anybody's breath away One agricultural expert who, after having visited Walchandnagar in 1944 and 1955-56, had the opportunity of visiting it again in 1961, was delighted with what he observed there He writes.

"I visited Walchandnagar for the third time Once again I found occasion to see Walchandnagar from the farmer's angle Once again I got the invaluable opportunity of seeing the many-sided progress which, in this mechanized age, even agriculture has achieved

"With a total agricultural area of 16,457 acres, at Walchandnagar, about 8000 acres[7] are of the factory's ownership The remainder, owned by some 500 farmers, are given to the factory on lease The factory-owned land is of medium and poor quality It is on this that sugar-cane has to be planted, and a crop grown by dividing it into sections for 'adsali', 'barmahi' and 'khodva' ('ratoon') strains Generally the ground is rocky, of medium quality Further than the eye can see, water channels are continuously flowing through it, freely and ceaselessly Even in the rockiest land, sugarcane is planted and a crop grown by spray irrigation

"By up-to-date methods with the help of heavy but suitable and efficient machines, field labour, ploughing, levelling, manuring, sowing, ditch-digging, earth-spreading and -changing, and other operations are mostly done by bulldozers, tractors, star harrows, disc harrows, and similar machines Bullocks are employed mainly

7 The total land is 8,494 acres, out of which 3,994 acres are exclusively for growing sugar-cane, and the remainder for growing grain and vegetable crops for the colony's 8,500 labourers and their families.

for carrying the bundles of cane from the fields to the rail trolley. We were astonished to see how drains are dug in the ground by a machine, unobtrusively and efficiently, quite invisible from above at a distance of three or four feet, in order to drain off the excess water by the appropriate route and always in the planned direction This machine is engaged after the large tractor, and one notes with satisfaction that research has been done in this very spot into mechanizing the job of simultaneously mixing in chemical fertilizer in correct proportion, with the help of the tractor.

"Apart from the ample crop of sugar-cane needed for making the sugar, these fields grow jowar, bajri, wheat, gram, tur, cotton, sweet potato, vegetables, etc by way of crop rotation These other crops are planned without spoiling the land's texture and strength, and with regard to water level and drainage

"Credit for the well-managed farming at Walchandnagar, as well as obtaining the maximum per-acre yield of sugar-cane (122 4 tons, only a little short of the world's record of 129 tons achieved by Hawaii) and winning for the factory two or three of India's topmost awards and presentations, goes to Gumaste and the other two dozen or so agricultural graduates "[8]

At the time when the factory was established, 150-200 tons of sugar-cane would be crushed in its mill daily In 1935-36 that mill was exchanged for a new one of 500 tons Afterwards, in 1939-40, this in turn was exchanged for a new mill of 1000-1100 tons. This is the mill operating today By making some fresh adjustments to it and giving it the benefit of electrical power, it is able to crush 1600 tons of cane per day In 1933-34, a total of 9039 tons were crushed, with a yield of 8 67 , today 2,27,487 tons are crushed in one year, with a yield of 12 22 The international sugar experts who came to India in 1956, to make a personal inspection of the Indian sugar industry, paid a visit to this sugar factory at Walchandnagar, and highly commended it

Conducted on up-to-date scientific methods, the sugar factory at Walchandnagar, and the high-class sugar plantations which serve it, have created their own separate ideal in the field of India's sugar manufacture. This creation is due in equal measure to the qualities of two persons, on whom Walchand placed the whole responsibility for this industry—the far-sightedness of his brother Gulabchand, and the love of research and devotion to work of Jivaji Annarao

[8] Quoted by Raje J R Deshmukh "Walchandnagar Ek Drishtikshep" ('A Glance at Walchandnagar'), *Vaibhav* magazine, April 1962

Gumaste, present Principal Officer.

Gumaste was one of the young graduates in agricultural science whom Walchand selected in 1933, at the time of establishing the factory He entered service as a farm overseer. Afterwards, in 1939 he was made Junior Manager of the Agricultural Section, and in 1944 Chief Manager Gumaste is an ideal example of a life ruled by principles, of a man who works with tireless industry and exerts himself with unflagging devotion. It was due to their awareness of this that Gulabchand, no less than Walchand, placed full confidence in him, and gave him ample scope for making various experiments, and for devising one scheme after another and putting them into practice And he on his side made a good job of it For three years he was Secretary to the Deccan Sugar Technologists Association. For many years past he has been a member, and has read many research papers at its meetings In 1950 and 1963 he attended the International Sugar Technological Congress. He has travelled to Australia, Cuba, Jamaica, Barbados, Hawaii and other countries, and minutely studied their methods of sugar making and farming Of this study he had given the Walchandnagar industries the benefit in full measure He ranks among the well-known agricultural experts of India Just as with agriculture, he has closely applied himself to all subjects associated with the sugar industry. Always thinking how to make practical application to the business of the secrets which he has discovered in his researches and investigation, he constantly exerts himself to see that some new feat or other should be achieved These exertions have given a new shape to the work of the Walchandnagar cane-fields The help which he has also received therein, on the research level, from a colleague and celebrated chemist, Dr Dube, is important and worthy of record

The other products of the sugar-cane industry principally include crushed stalks, molasses and other waste. Paper is made from the crushed stalks, spirit from the molasses, and manure from the waste.

The Walchandnagar factory started the industry of making spirit out of molassess in 1942. In his own patriotic fashion, Walchand bought the machines required for this of Indian make only The production capacity of this factory has a potential as high as 3500 gallons of spirit per day. The factory turns out five lakhs gallons of spirit in a year. It was the first factory in Maharashtra to prepare spirit, and has been followed by four factories in other places At present, the restrictions imposed under the

Maharashtra Government's prohibition policy have caused the sales of spirit to slacken In view of this, the directors have framed a scheme for using the apparatus, with its capacity for preparing 3500 gallons of absolute alcohol per day, for preparing acetone

Along with the factory for preparing spirit, has come an oil mill. This mill has been erected with the object of furnishing oil-cake needed for manure, and for providing employment to seasonal labour in the off season. Its working has necessitated expansion Machinery has been installed capable of crushing from 25 to 30 tons of groundnuts per day. Mere oil extraction was found insufficient. Markets were far off, and the oil trade experienced violent fluctuations In view of this, Walchand installed a separate plant for oil refining and vanaspati ghee The mill began to produce (May 1940) a ghee called "Valda". Naturally it was necessary after this to open a soap and tin making factory, as an aid and adjunct to the mill From the oil-cake turned out by the mill, the oil is not fully extracted For the purpose of manure, this trace of oil is in fact useless, and in this respect it goes to waste To prevent this waste, and extract the oil from it, a new solvent extraction plant was installed, some days later, at a cost of six lakhs of rupees A factory was also opened capable of making paper and cardboard from sugar-cane leaves, to an amount of two to three tons per day

It was Walchand's wish that Walchandnagar should not be turned into a mere farming and sugar-producing neighbourhood, but become a neighbourhood of high purpose for many modern industries It was this wish which gave birth to the above industries After him, his brother Gulabchand too, while developing these industries, also brought in new ones Two of the chief of these are the plastics industry (1953-54) and that of making machines required for sugar factories

Gulabchand toured many of the principal areas in Western countries which are celebrated for industrial activities, and studied with a view to seeing how he could develop industries at Walchandnagar The visible fruit of this is Walchandnagar's plastics factory and the huge factory opened for making the machines required for sugar factories. Nowadays plastics have invaded the daily life of Indians on a very large scale The end of World War II saw a beginning of imports of plastic articles They began to please the public by reason of their attractiveness, low price and utility. Estimating that this industry would survive and keep on growing steadily, Gulabchand sent some of his technologists

abroad, secured training for them in plastics manufacture, and opened a factory (1953) with the assistance and advice of a firm in England. This factory manufactures various utility articles and industrial mouldings of complicated designs, including parts required for automobile and electrical undertakings, which have met with the approval of the consuming industries.

From the time when the sugar factory was opened, a workshop had been opened in order that repairs might be made in case of mechanical breakdown. This was gradually enlarged, as need arose, and as more and more machines were added. Gulabchand began to feel that if modern machines were installed in the sugar factory, on the strength of the experience gained in the workshop it should be possible, under expert supervision, to open a factory for making the machines which a sugar factory needs. On one of his foreign tours he took his Chief Engineer Mukherjee with him and began to keep a lookout in this direction. And very soon he erected a factory of this sort, in 1956, after securing the assistance of the Techno-Export-Skoda Company in Czechoslovakia, and investing a crore and a quarter of rupees. He got his technical staff trained under Czechoslovakian technicians. Within two years of being set up, this new factory manufactured machinery worth 65 lakhs The machines were perfect They were also an improvement upon the existing plants. Today this factory is able to set up any new sugar factory complete with all machines. During the last six years it has set up ten factories in Maharashtra, Karnatak and Madras

In 1961, the then Governor of Maharashtra State, Shreeprakash, visited Walchandnagar on January 20 While welcoming him Gulabchand said, "We have founded a new colony far from the city in a rural area It is an ideal township, fully equipped with all appliances Here are the latest amenities of urban life We have done our utmost to realize the fond dream of a welfare state. A new spirit has arisen in rural life This part has flowered with that rich growth. There is cause for pride, as anyone will say, in this maturing of what was thirty years ago a barren and uninhabited wilderness" No one with the picture of Walchandnagar's expansion before him, could fail to concede that these words of Gulabchand were true to the last syllable.

Although Walchandnagar is primarily an industrial township, one would search it in vain for the slum atmosphere and the disorderliness which are encountered in the average township of this sort The symmetrical layout of the township's plan is echoed by the

clean and orderly way of living of the folk who live in it. All the people are industrious, all of them do their work with regularity The township has acquired its own separate and enviable identity

If this is due to the idealism of Walchand and his brother Gulabchand, it is no less due to the exertions of a devoted colleague of theirs of many years' standing, Malhar Ganesh Madge This man first entered Walchand's service in his seventeenth year (1923) as a time-keeper. He had studied upto matric. But he was always ready to accomplish whatever work was laid upon him, toiling day and night with dogged care; he lost no opportunity of gathering fresh experience and acquiring fresh knowledge; he taught himself until he rose to the important and responsible position of Works Manager At the time of starting the factory at Kalamb, Malharrao Madge was among the picked young men whom Walchand took there During the ten years 1922-33, Madge went wherever Walchand sent him, made a clean job of whatever kind of work Walchand assigned to him from the Construction Department, and won Walchand's firm trust and affection When he was creating a world out of nothing at Kalamb, it was but natural that he should select such individuals Later, he won the trust and affection of Gulabchand too, just as of Walchand In 1954, when Gulabchand made a world tour "to see for himself the progress achieved on the industrial and technical level by all the world's leading countries, and after studying it from this angle, to see from his own angle how far he could utilize it to achieve his own progress", he took Malharrao Madge with him Afterwards he published an article with notes of what he saw and experienced on this tour, under the title of "My Journey Round the Earth",[9] a reading of which gives a good idea of his keen power of observation and studious disposition.

For today's industrial progress, Walchandnagar has to thank the sacrifices made over long years in their respective departments by Jivajirao Gumaste and Malharrao Madge, as well as the engineers R J Puranik[10] and J P Mukherjee. Puranik is today Deputy Chief Engineer and the head of the machine-making section, Mukherjee being Chief Engineer It should be called no exaggeration to say that these two individuals are the driving force behind the machine-making industry at Walchandnagar

The Shipping Business This industry of Walchand's falls

9 *Prasad* magazine, October 1955
10 Puranik joined Walchand's business in 1935 and Mukherjee in 1947

into two parts, maritime freight and steamship building. Of these, the entire story of steamship building has already appeared elsewhere, in a separate chapter Here we have only to tell the story of maritime freight during the period 1940-49.

During the War years (1939-45) not only was the Scindia Company unable to increase its freight business, but on the contrary, since Government had taken 16 out of its 19 steamers for the transport of troops and munitions, the business left in its sole hands was purely nominal. The coast of India was open to British companies The steamers of Scindias and their subsidiaries having been taken away for War work, the field transport fell to them without one single rival In these years the British companies earned immense sums, and they took the fullest advantage of the opportunity, brought by the War situation, of making their fortunes And all those years, the Scindia Company had to fret, waiting for better days to dawn

In 1944, signs appeared of an early end to the War The governments of all countries in the world began to think about the policies on which they should develop their respective nations' industries in the post-War years The Government of India too had begun to take thought, after appointing a committee for deciding on a policy of industrial reconstruction In order to finalize its views on the expansion policy for various industries, it had appointed various sub-committees. A sub-committee[11] had also been appointed for deciding the policy of expanding the shipping business (September 1944) To this committee Walchand and Mansukhlal Master had been attached as members The committee first sat in Bombay under the Chairmanship of the then Commerce Member of the Government of India, Sir Mohamed Aziz-ul Huque, on December 7 1944 At this session Walchand made a lengthy speech describing in plain language the depressed state of Indian shipping, the current blustering of foreigners in that field, and Government's hitherto adopted role of outward impartiality but inward partiality, and gave warning that, should such conduct be repeated in the future, in the years to come there could be no escape from an exacerbation of the pitiful situation that had arisen in India as regards the supply of food grains and military supplies owing to the want of a powerful and extensive mercantile marine in the present war period And he said: "It is a tragedy of our national life, that while in other countries, national industries derive inspiration and strength from

11 'Policy Committee on Shipping'

their own Governments, to sustain them in their struggle and to build up their resisting power against foreign competition, in our own country, it is foreigners who are encouraged not only to develop their vested interests, but also to create new ones, making the struggle for our national industries harder and more unequal than before

"It is true that assurances and promises for developing an Indian mercantile marine have been profusely given by the Government of India in the past They have repeatedly assured the Indians that it would be their responsibility to see that national shipping carried an adequate share of the coastal and overseas trades Have they taken any effective steps to redeem these promises ? After a struggle of over half a century, national shipping carries less than 25 per cent of the coastal trade It has no place worth the name in the overseas trade of India. With a coastline of over 4,500 miles, with an overseas trade of over 25 million tons of cargo and a lakh of passengers, can the Government of India say that they have taken effective steps to fulfil their promises for securing adequate participation of national shipping in those trades during the last fifteen years, since the promise was first made? Enterprising Indians wanted to start a fast passenger service to Europe in 1935 Not only did the Government of India refuse to give any encouragement, but they, on the contrary, put every possible obstacle in their way to do so It is with these bitter memories that national shipping interests have to think of their future development during the post-war period

"It is, however, some satisfaction that the angle of vision of the Government of India seems to be changing. In the Memorandum that they have circulated to us, they have promised that 'the rectification of this state of affairs should be one of the immediate post-war objectives' They have recognized for the first time that India needs to develop a Merchant Navy not only for commercial reasons, but also because such development is necessary for the defence of the country. May I, therefore, on behalf of us all, tender our grateful thanks to you, President, for the ushering in of this new vision for national shipping which will keep the haven which it has to reach in its onward march, during the post-war period, clearly illuminated and constantly in sight ? I am sure, gentleman, you will agree with me that the Honourable Commerce Member has, in constituting a special Policy Committee for this purpose, taken a courageous step in the right direction. I have no doubt that if the

Government of India will act and continue to act promptly and effectively in the light of this new vision, for the purpose of securing for national shipping an adequate share in the world's carrying trade, as laid down in the Memorandum, we can look forward with confidence to the building up of a powerful National Merchant Navy during the post-war period, a Merchant Navy as necessary for the healthy promotion of a National economic policy as for the effective and efficient defence of the country

"Let us, however, be quite clear as to what we really mean by 'an Indian Mercantile Marine' An Indian Mercantile Marine cannot and does not mean the Merchant Navy run by British shipowners for the carriage of India's maritime trades. No patriotic Indian can or will ever agree to call the participation of ships owned merely by a company registered in India, with a rupee capital, and a majority of Indian directors, as forming part of the National Merchant Navy of India of the future A company can be registered in India by British interests with rupee capital The Board of that Company can consist of a majority of Indian directors Any present British company can transfer its ships to such company registered in this country for that purpose British interests can thus continue to dominate the maritime trades of India in the future, as in the past, under this new procedure and new technique of operations India does not want such a National Merchant Navy Such a fleet of ships cannot be called an Indian Merchant Navy The real test of a National Mercantile Marine is that it must be owned by Indians, it must be under the control of Indians and it must be managed by Indians A shipping company which does not satisfy this test, cannot and will not constitute a part of the Indian Mercantile Marine As observed in 1932 by Sir C P Ramaswami Aiyar, the then Commerce Member of the Government of India, the 'Government are particularly anxious to facilitate the growth and the expansion of coastal trade in India in so far as that coastal trade is operated by Indian agencies and through the instrumentality of Indian capital' That policy was further confirmed in 1933 by Sir Joseph Bhore, another Commerce Member of the Government of India when he remarked that it will be the constant endeavour of the Government of India 'to see that the development of the Indian-owned mercantile marine is steadily kept in view and steadily pushed forward' It is, therefore, crystal clear that, even according to the policy enunciated on behalf of the Government of India, that Merchant Navy alone can be called 'Indian' which is owned, controlled and operated by Indians

only. In view, however, of the representation that is accorded to certain interests on this Committee, I shall feel grateful to you, Mr. President, if you will be good enough to let us know whether anything has happened since which has compelled the Government of India to depart from that fundamental conception of a National Mercantile Marine or whether the Government continue to share the universal opinion in the country that a National Merchant Navy means a Navy owned, controlled and managed by the nationals of the country I consider this a question of grave importance to the future of this land. If either whole or part management of non-national interests is to constitute an Indian Merchant Navy of the future, let us know where we stand Let there be no sailing under false colours On the clear and unequivocal answer to this question of supreme importance will depend the utility of our participation and co-operation in the deliberations of this important Committee

"It has been rightly stated in the Memorandum that 'the acquisition of an adequate share in the world's carrying trade should be the aim of our post-war shipping policy' It seems to me that as a first step it is clearly indicated that National Shipping should have an increased share of the coastal trade including trade with Ceylon and Burma I wish that with the vision of National Shipping participating in the world trade, which is clear before your mind's eye, you Sir, at any rate, would have strongly objected against the continuance of a policy of feeding National Shipping with small doles of the trade in its own homewaters, and would have inspired your colleagues to accept the recognized policy all the world over that such waters are the just and proper preserve of National Shipping and National Shipping alone The Memorandum further states that National Shipping should have a substantial share in trades with the Iranian Gulf—known till recently as the Persian Gulf—East Africa, Malaya and Dutch East Indies It also adds that the national shipping should have a fair share in the Eastern trades and in trades between India and the U K, Continent and with North America I do not know what distinction the writer of the Memorandum had in mind in using the words 'substantial share' in connection with certain trades and a 'fair share' in connection with other trades It is necessary to understand the extent to which National Shipping should participate in those trades and I would, therefore, earnestly request you to indicate the position of the Government in this matter so that we may know the number of ships that India will require, the nature of services that Indian shipping will have to build up

and the volume and extent of cargo and passengers that National Shipping will have to carry in future. As one who has been connected with Indian shipping now for over a quarter of a century, I venture to submit that the cent per cent of the carriage of the coastal trade ; at least 66 per cent of the carriage of the trade with adjacent countries ; not less than 50 per cent of the carriage of India's overseas trades, such as the trades with the U K., Continent, America and other parts of the world ; and not less than 33 per cent of the carriage of the trades in the Orient, including the trades carried by the Axis in the event of the same passing into the hands of the Allies as a result of the victorious end of the war, should justly be secured for national shipping interests as a first step towards the development of an Indian Mercantile Marine

"In view of the new world forces with which India will have to deal in the near future, may I make an earnest appeal to you, Sir, to urge upon the Government of India the supreme importance of announcing a clear and courageous policy regarding the manner in which they propose to stand by and encourage National Shipping, in every possible manner, to achieve the object which they have laid down, namely, the acquisition of an adequate share in the world's carrying trade ?

"But where are the ships with which we can acquire an adequate share in the world's carrying trade and build up a National Merchant Navy ? How to build them and where to obtain them is the supreme question of the hour. Neither does India lack the spirit of enterprise nor does she lack the necessary resources to build ocean-going ships in Indian yards As remarked by Admiral Sir Fitzherbert, 'the sooner a ship-building industry is started the better for India. Such an industry to be successful needs courage, enterprise and forethought. That all these are present in India is a fact that cannot be denied'. A full-fledged ship-building yard owned, controlled and managed by Indians already exists in the country today. India, however, is not allowed to build ocean-going ships Both His Majesty's Government and the Government of India consider that the building of such ocean-going ships in India will not constitute war effort ! And yet the cry went forth everywhere 'let us have ships, more ships and still more ships' during the period of the war Nothing has shown up more glaringly the subservience of the Government of India to the British vested interests, at the cost of Indian interests, than their indifference—I shall not use a stronger

expression—towards enabling the Indians to build ocean-going ships in their own land

"Not only are Indians not allowed to build ships in their own country, but it is not possible for them to obtain ships from other lands Small as was the fleet of Indian ships at the outbreak of the war, it has played its own part in the defence of the country and in serving the needs of the war even in theatres far away from its own home waters War has made even a small fleet smaller than before. That fleet was in the nature of a loan to Government. The Government had obtained full control over the Indian fleet. It is the elementary principle of business that the borrower returns the loan in the same good condition in which he had obtained it from the lender I am grieved to say that the Government refuse to recognize this elementary principle of justice in enabling the Indian shipowners to replace the losses of the ships that were so loaned. British shipowners are given ships by the British Government to make good the losses that they may have suffered That is not the case with India Indians are not allowed to build ships in their own country Government do not give ships to replace those which were lost Whence, then, will there be the National Merchant Navy even to carry on the trades which it was serving before the war, to say nothing of the ideal which has now been placed before us, of such a Navy carrying the world trade?

"The cost of replacement will put such a strain as would break the financial structure of a shipping company This disparity between war risk recoveries and the cost of new building and the gap between the amount of depreciation on obsolete ships and the cost of replacing them are problems which are causing serious anxiety to shipowners both in England as well as in India. The British shipowners were, however, only recently assured by Lord Leathers, British Minister of War Transport, that His Majesty's Government were considering the question as to how to make good the gap caused by the problem of replacement and that they were discussing the same with the Chamber of Shipping and the Liverpool Steamship Owners' Association representing the British shipping interests of the United Kingdom While, therefore, the British shipowners have been assured by the British Government that they will consider this serious problem with sympathy and while the British shipowners might thereby secure the much-needed help that they require from their own Government in its solution, I am sure you will not consider it a fairy tale if I were to tell you, in all seriousness, that one of

the theories advanced by the Government of India for solving the problem of replacement meant in practice that the shipping company, whose ships might have been lost, while in Government service, should pay a further large sum to the Government for having the pleasure of losing its ships, when it helped the war effort in the service of its Government Further comments on such facts, which are often stranger than fiction, are needless. It only reminds us that we are not living under a National Government We have a Government which have to take their instructions from Whitehall, not for the benefit of India, but for furthering the interests of England

'I am sorry, I am compelled to use strong language. The facts, however, force me to do so While Governments of all important maritime countries have, profiting by the lessons of the last world war, built up their National Merchant Navies for promoting their national economy and for building up their defence, the Government of India alone has, although India is an important maritime country of the world, learnt nothing and done nothing to build up a National Merchant Navy for the country Let me, however, hope, in spite of the most bitter lessons of the past, that the lessons of the present world war will not be lost upon them Let us hope that they will take prompt, adequate and effective action to build up a powerful National Merchant Navy at an early date There will be no occasion for them to lament in the future, as they have done in the Memorandum placed before us today, that India possesses a distressingly small number of deep-sea ships [12] They will not have then to confess the tragic truth, as they have done in the Memorandum, that India could not 'find adequate shipping from her own resources' to bring food for her own people who were dying in thousands from starvation May I request you, Sir, to take us into confidence and tell us what steps the Government of India propose to take to provide India with ships which will be necessary to constitute such a National Merchant Navy and what plans they have actually prepared for the achievement of that fundamental object for India's economic well-being and the prosperity of her people ?

"It is, however, not merely the possession of a large number of ships that will solve the complicated question of building up a National Merchant Navy which can be run economically and efficiently. The supply of tonnage will have to be adjusted to the

12 At the outbreak of the War, in the whole of India there were in all scarcely 30 steamers with a total gross tonnage of 1,50,000

demand. That is why the proposal has been made in the House of Lords that all war time construction should be treated as one problem If more tonnage than is warranted by the demand of the trade is thrown on any route, it is not difficult to imagine how it may lead to unhealthy and cut-throat competition, with the result that it will be difficult, at any rate, for India, with its meagre resources, to build up an effective National Merchant Navy of her own This question of economic employment of tonnage and consequently of adjusting its supply to the demand has been worrying the British shipowners also Lord Rotherwick, speaking recently in the House of Lords, suggested that a meeting of the International Shipping Conference should be called 'to discuss the future organisation of shipping on the basis of private enterprise and free competition, subject to a reasonable agreement, to keep freights on an economic level and to keep the supply of tonnage adjusted to the demand' It is, for the first time, that the British shipowners, despite their powerful resources, have felt the necessity of seeking an agreement to keep freights on an economic level We all know how in India they carried on ruthless rate-wars, cutting down freights to a ridiculously low level, in the past to oust national tonnage even from its own home waters Now that the balance of ownership of tonnage has changed and now that the balance of sea-power is likely to change in the post-war period, even the British shipowners have felt the necessity of keeping freights at an economic level and of adjusting the supply of tonnage to the demand for the same I am sure every one at this table will, therefore, agree with me, when I say, that one of the fundamental conditions of building up a permanent and powerful National Merchant Navy is that the Government of India should create conditions for its economic and efficient operation. Extension of the activities of a National Merchant Navy in its home waters and securing for it a firm footing in the carriage of the overseas trade as well as in the carriage of the world trade will have to be assured both by negotiations as well as by such help as will be necessary for the infant National Merchant Navy to grow to the stature of healthy adolescence and youthful vigour. I do not wish, at this stage, to indicate the various methods that could be employed for this purpose My object here today is to emphasize the vital need of looking at this question in its true perspective, as I feel that no National Merchant Navy can be put on an efficient and permanent footing, unless conditions for its healthy and economic operations are secured to it by its Government in every possible way

and in every possible direction.

"Before however, I resume my seat, I consider it my duty to draw your attention to some of the most important international forces which are bound to affect profoundly the development of national navies in the important maritime countries of the world As you all know, America has rendered invaluable service to the cause of the Allies and the United Nations by building a magnificent fleet of ships during the war. It has played the most important part in retaining the supremacy at sea in the hands of the Allies and maintaining their power on the different oceans in the world During the course of two years and 8 months from January 1, 1942, America has built ships to the tune of nearly 40 million tons deadweight As observed by Lord Leathers 'these wartime ships will leave the world's mercantile marine after the war in a very unbalanced state' The disposal of these ships and their allocation after the war will no doubt present a very intriguing problem There are maritime countries like India which do not own today any fleet worth the name Their fleets, as observed in the Memorandum, are 'distressingly' small As compared to their large international trade, their Merchant Navies are insignificant For instance, while the trade of England is about 5½ times as large as that of India, the tonnage of England is over 135 times of tonnage of India This glaringly unjust balance of the ownership of shipping of maritime countries will have to be effectively rectified in the post-war period Maritime countries like India will, therefore, require an addition of a very large number of ships to their existing fleets to enable them to build up their National Merchant Navies Such an addition will be quite essential to enable them to participate in the carriage of trades to which they are justly entitled Unless therefore maritime countries are allowed to build up fleets commensurate at least with their overseas trades and the balance of ownership is consequently readjusted in such a manner as recognize their just requirements and their due obligation, heaven knows what the present unbalanced ownership of tonnage and the consequent undesirable supremacy at sea of certain countries will have in store for maritime countries like India during the period of peace With us it is not a question of what Lord Leathers calls a 'flying start'. With India there has been no start at all and if India does not make its voice felt at the peace conference in determining the principles on which this magnificent fleet should be allocated, I am afraid it will be next to impossible for India to build up her national merchant navy and even to carry a substantial

portion of her own maritime trades, not to say anything about her participation in the carriage of world trade as visualized in the Memorandum.

"Several countries concluded recently an Agreement known as 'The International Control of Shipping Agreement'. Its main object is that shipping should be so distributed for a certain period after the end of the hostilities as might enable the available shipping to perform all the military tasks not only for victory, but also for such requirements as might arise at the end of the war. The pooling of the resources of such shipping for providing supplies to the liberated areas and to the United Nations is an object which will evoke sympathy all round. I do not know, Sir, whether India is a party to this Agreement or not. The question, however, which would naturally worry us all is that if, under the plea of the pooling of all these resources and the maintenance of that spirit which made the pooling possible after the war in the allocation of shipping, they were not to recognize the needs and requirements of India to build up her own national navy, there is every possibility that we shall receive a setback from which it will be very difficult to retrieve our position in the future. The Government of India will have therefore to be extremely vigilant at the Peace Conference and ensure that nothing is done which would militate against her acquiring the sea power which she needs to build up a national navy which she urgently requires

"It is but a truism to say that the prosperity of the shipping industry depends upon the expansion and development of international trade No country can have an adequate merchant marine to carry and to contribute to its maintenance The necessity of increasing the international trade and removing such barriers as might be coming in the way of its expansion imposes, however, serious obligations on the highly industrialized countries like the U.K and America to recognize the imperative need of giving the fullest opportunities to other backward countries to develop their industries and to build up their merchant marines Without the recognition and the implementation of this fundamental obligation, the object of expanding and developing the international trade will not be achieved during the period of peace I find that the proposition has been seriously stated that the Axis should not be allowed to own foreign-going ships for a considerable number of years after the war is over. America wants one-third of the trade carried by the Axis to be reserved to the American Flag Britain wants some guarantee

in the Peace Treaty to call off the race in subsidies. Each country, particularly Britain and America, is looking at the question from its own national point of view These are problems which will mightily affect the national economy of this country and will make or mar our destiny as a country which has to own the navy of supply as she needs and as her important position justifies. May I, therefore, urge upon you, Sir, in all earnestness and with all the emphasis at my command that not only should the Government of India give their closest and sympathetic thought to all these various problems which will have to be solved and to all these different forces which are bound to affect our national economy but that they should also give a clear and unequivocal assurance that the voice of the nation will be allowed to be heard at the Peace Conference and that they will, therefore, send to that Conference non-official representative Indians enjoying the confidence of the country and carrying the support of its people ?"

This speech of Walchand's served as a kind of straight warning to the Government of India Many persons congratulated him on this outspoken, well-contrived and perspicacious speech That devotee of India's industrialization, Sir M Vishvesvarayya, for one promptly wrote him a letter, the following day, expressing his delight [13]

Observing that the Government of India had begun to think about a scheme for expanding the shipping business, Walchand decided to gather up the scattered pieces of the Scindia Company's marine and to take as much advantage as possible, with a view to its expansion, of Government's attempted change in its shipping policy

When the War ended and normal sea transport recommenced Scindia's gross tonnage was greatly reduced, down to almost 72,000 Eight of its steamers had been sunk in the War, and those which Government returned had badly deteriorated, so that without proper repairs they could not be put into immediate use Acquiring steamships by purchase had also become a very difficult matter, to say nothing of the fact that the cost of building new ones had trebled The 8,000 ton steamer which in pre-War days could be built for Rupees ten lakhs, would now cost thirty lakhs ; and that too, with no assurance of punctual delivery In these circumstances, the Scindia Company was forced to get the ships returned to it repaired immediately at fancy rates. After a short time it arranged to have

13 In his letter, Viseswarayya said 'I have read your address of the first meeting of the Policy Committee on Shipping with great interest and my first impulse is to congratulate you on your cogent and admirable statement"

five cargo steamers built, two in the ship-building yard at Visakhapatnam and three in England. These steamers were to be built as and when they could, and delivered before 1948. A situation of reduced earnings, and expenses gone beyond all imagination, subjected the Company to increasing distress and financial strain. To meet this, the Company decided to double its former capital of Rs. 2,25,00,000; it offered new shares for purchase, which were all sold out. In 1946 the Company's capital became Rs, 4,49,83,575; yet this sum was found insufficient. In 1947-48 the Company had to put up an additional five crores by the issue of 15-year debentures. The overall situation had become most unhappy.

Fortunately, from mid-1946 new changes had begun to appear in the political atmosphere of India Movements were already afoot for establishing in India a government of Indians. From September 2, 1946 Wavell, the Viceroy, had set up an interim government of national leaders under the captaincy of Jawaharlal Nehru From now on, the Indian scene went on changing step by step On August 15, 1947 India was proclaimed a free and independent sovereign state, Jawaharlal Nehru becoming the first Prime Minister of Free India. He formed his own Cabinet. Hope began to be felt that, along with the country's evil days, the evil days of the Scindia Company and Indian shipping were over too, and that days of happiness and prosperity could be looked for

In the month of March 1947, the Policy Committee on Shipping appointed by the old Government presented its reports to Government This Committee opined that the strength of the Indian Mercantile Marine should be equal to carrying at least one crore tons of cargo, and thirty lakhs of passengers per year, for which it would be necessary to create a marine of twenty lakhs gross tonnage It further suggested that Government should endeavour to see that the Indian Mercantile Marine should get 100% of the Indian coastal transport, 75% and 50% respectively of that with Burma and Ceylon and their adjoining countries, and countries overseas, and 30% of the pre-War transport to Eastern Countries formerly done by German and Japanese ships The Committee had at the same time clearly specified the definition of "Indian Mercantile Marine", and what sort of help Government would be required to give for its expansion. One finds this report strongly coloured by Walchand's views on the organization of the Indian Mercantile Marine and its future policy. On July 12, 1947, Government announced its acceptance of this report's recommendations.

In the year when the Government of India, accepting the recommendations of the Shipping Policy Committee, announced that the tonnage of the Indian Mercantile Marine should be 20 lakhs, Indian tonnage was around three lakhs The figure of 20 lakhs which Government had set for itself was exceedingly ambitious. With the exception of five countries[14]—the United States of America, the United Kingdom, Norway, Panama and Holland—there was not a single country with a marine tonnage of 20 lakhs, at that time. Even a country like France then possessed a mercantile marine of 1,948,000 gross tons If India were to achieve the figure of a 20 lakh tonnage, she would definitely win a place of honour among the world's leading shipping nations But this would call for five to seven years of great struggle and effort[15]

If the tonnage of the Indian Mercantile Marine was to be increased, it was essential to arrange for its unrestricted passage over all the seas of the world. Under the British, the Indian Mercantile Marine had been prohibited from overseas transport In terms of the agreement made in 1933 between the Scindia Company, the British India Steam Navigation Company and the Asiatic Steam Navigation Company, the Scindia Company was restrained from raising its tonnage beyond one lakh tons or from plying on any seas except the Indian Ocean. The terms of this agreement had expired in 1939, and changes in it had become necessary However, on the pretext of the War, the British Government and the B I Company put off the framing of a fresh agreement All Walchand's unremitting efforts with the British Government to get the agreement either amended or cancelled, and win liberty for the Scindia Company to expand its marine and carry on overseas transport, were unable to achieve success

As soon as the War ended and Government began to think about post-War industrial reconstruction, Walchand promptly revived the question of the expansion of the Indian Mercantile Marine The Shipping Policy Committee's final sitting was to be held in Delhi on March 22, 1947. At this sitting, the policy governing the expan-

14 As on December 31, 1947 the gross tonnage of these five countries was as under

U S A	33,213,000
U K	15,514,000
Norway	3,721,000
Panama	2,458,000
Holland	2,284,000

15 Although 20 years have now passed since India became free, the Indian Mercantile Marine has been unable to reach the figure of 20 lakh tonnage At the close of 1964 its gross tonnage totalled only 13 lakhs With the growth in our foreign trade the share carried in Indian bottoms is only 13 per cent

sion of the Indian Mercantile Marine was to be cast in a final form, and then a report prepared for submission to Government Before this was submitted to Government, he felt that it would be useful for the Shipping Policy Committee to know the views of Indian shipowners on the subject of expanding the shipping business; he therefore called a representative meeting of these at Scindia House on March 19, 1947, and arranged a discussion. In this meeting, he also got people to consider the Bill on Shipping which the then Commerce Member of the Government of India, I I Chundrigar, had introduced in the Supreme Legislature at Delhi (March 17, 1947) and took instant steps to convey a representative opinion on both these questions to Government All these manoeuvres by Walchand must have had their effect on Government's policy, just as they had on the framing of the Shipping Policy Committee's policy The Government of India began talks with His Majesty's Government in England upon the necessity of arranging henceforth for the Indian Mercantile Marine to get a due share in the maritime transport carried on between the United Kingdom and India His Majesty's Government proposed that the British shipping merchants and the Indian shipping merchants should get together and solve this question by mutual consideration Both Governments accordingly arranged to hold a meeting of British and Indian shipping merchants in London on July 16

For taking part in this meeting to be held in London, the Government of India appointed a delegation of five persons—Walchand Hirachand, Mansukhlal Master, Surji Vallabhdas, Hoshang Dinshaw, and Sir B. P Singh Roy—and entrusted the leadership to Walchand The delegation took the celebrated political economist Prof J C Kumarappa along with them as Adviser

On June 26 Walchand, accompanied by his wife Kasturbai and nephew Bahubali Gulabchand, left Bombay on the *S S Strathmore* The other members of the delegation left via Karachi by air on July 10

On the day before Walchand left for London (June 25) the then President of the Indian Merchants Chamber, Ratilal Gandhi, held a farewell function for him in the Chamber's premises The function was attended by Walchand's friends and many leading persons in the industrial world Speaking on that occasion, Walchand said:

"We are not going to London on our own initiative and of our own accord. Our Delegation has been, as you know, appointed by the Government of India as a result of their talks with the British

Government. We, however, do not know the nature of the conversations held between the two Governments. We are also not aware of the attitude and approach of the British Government towards the expansion of Indian shipping even in India's own overseas trades As you are aware, it is British shipping that yet dominates India's maritime trades. According to the Report of the Imperial Shipping Committee issued in 1939, 95% of the export cargo from the U.K to India and over 99 5% of the export cargo from India to the U.K was carried in British ships in 1936 and 1937. The same position more or less holds good even today. It will, therefore, be obvious that unless British shipping agrees to withdraw its tonnage from the Indian trades which it has dominated till date, Indian shipping can make very little permanent progress in the matter of carrying India's overseas trades. I would have, therefore, wished that the proposed negotiations should have been carried on at Government level, and the fundamental lines of expansion of Indian shipping in India's maritime trades on the basis of co-operation and goodwill should have been settled by the two Governments Our Government, however, have asked the Indian shipowners to proceed to London and to explore the possibilities of effecting satisfactory arrangements for the participation of Indian shipping in the carriage of India's overseas trades We are, therefore, going there in response to the invitation and desire of our own Government We are fully conscious, however, of the complexities of the problem and the difficulties of our task

"It is a matter of some satisfaction that our Government have agreed that the fundamental basis of our negotiations in London should be the recommendations made by the Shipping Policy Sub-Committee and generally approved by the main Shipping Policy Committee appointed by the Government of India These recommendations visualize the carriage of over ten million tons of cargo and over two lakhs of passengers in ships owned, controlled and managed by Indians, during the course of the next 5 or 7 years We shall, no doubt, therefore, proceed to arrive at an understanding with the British Shipping interests on the above vital basis which has been approved both by the people and the Government of this country.

"We, however, do not know how the British shipping interests will respond to the above fair and just proposal for the expansion of Indian shipping in India's overseas trades. Their attitude is an uncertain factor. The manner in which the British shipping Lines

trading with India have been building new tonnage to maintain and expand their existing services, and the vigour with which efforts are being made to make the producers and the consumers in the two countries believe that they will suffer from inefficient and costly service if Indian shipping were allowed to take the place of British shipping, do not inspire the hope that our friends across the seas are genuinely anxious to accept our hand of friendship and work with us in a true spirit of co-operation and goodwill I am sorry to say this But these are facts. I, however, do not wish to prophesy a breakdown of our talks. It will be our endeavour at least, I assure you, in spite of what is happening elsewhere, to do our best to arrive at an understanding which may be just and fair to this country.

"As you have very rightly stated, our target is to own 2 million gross tons of Indian shipping during the course of the next five or seven years It is obvious that without ships we cannot carry on the trades that we have in view We may, therefore, be confronted with a question from friends across the seas 'Where have you got the tonnage which is necessary to carry the trades that you have been asking for ?' I know it is difficult to produce all this tonnage overnight I also do not wish to minimize the difficulties of securing tonnage from other countries It is true that Indian shipping companies have got 11 ships from America, but that is only a drop in the ocean It is an encouraging sign of the times, however, that our Government are prepared to help us in getting such tonnage from other countries as may be available and as may be suitable for our requirements In view of the embargo put on the sales of ships by the British Ministry of Transport and of the stiffening attitude of the American Government in the disposal of their surplus tonnage, there is no doubt that the question of obtaining suitable ships bristles with considerable difficulties

"The situation, however, is not without its redeeming features It is really encouraging for the development of Indian shipping and augurs well for the navy of supply of future that a number of Indian shipping companies has come into existence. There has been a wide awakening in the country in regard to India's need for Indian ships. That awakening has found practical expression in the endeavours that have been put forth all round for acquiring or building ships and running them in India's trades. I understand from reliable quarters that India's tonnage, which was only a little over a lakh of tons gross just before the war, has now increased to nearly 3 lakhs of tons gross. I am also told that the building or acquiring

of half a million tons gross of further tonnage is under active contemplation and consideration by the different Indian shipping companies that are in the field. We shall need all the help and encouragement of our Government both for the acquisition as well as for the building up of the tonnage that we require.

"It is not easy to place orders for building ships in the United Kingdom. Their berths are fully occupied. Although that country is building today over 20% of the tonnage under construction in its yards for foreign countries, very few ships are being built in that land on account of India. May, I, therefore, request the Government of India to do all they can to enable Indian shipowners to place their orders for the building of ships in the United Kingdom?

"As you know, we have got a Ship-building yard at Visakhapatnam. We are building two ocean-going ships in that Yard at present With all the kind thoughts of our present Government for the efforts that we are putting forth, the materials do not flow fast The quotas of steel allotted to us are often cancelled Labour must be continued to be paid You will easily understand our difficulties in the matter of speedy construction of ships in our own country If, however, the Government pursues an active and effective policy for helping the Indian shipping companies in acquiring or building tonnage abroad and if they give promptly and continuously all the facilities and help which the Indian ship-building industry needs, I venture to predict that neither will the Indian capital be slow in forthcoming nor will the Indian enterprise fail to respond quickly to do its duty for enabling Indian shipping companies to own a couple of million tons gross of shipping during the course of the next five or seven years The situation, however, requires vigilant watchfulness, continuous adjustments and prompt and effective help from the Government of this country

"There are, however, one or two points of special importance, having a vital bearing on the task which we have undertaken, to which I would like to invite your special attention The policy of negotiations may succeed or may fail I, however, share the considered opinion of the Shipping Policy Sub-Committee that 'the policy of negotiations alone cannot develop national shipping' Like the members of that Committee, I hold the view that 'like other important maritime countries of the world, India will have to take a militant view of her responsibilities and obligations towards national shipping' Along with the members of that Committee, I would also urge with all emphasis at my command that in any plan

that they may prepare to ensure the building up of an Indian merchant navy, the Government of India should be prepared to adopt all such measures including financial assistance for the development of Indian shipping as has been adopted by the leading maritime countries of the world, such as Great Britain and the United States of America.

"But the question is, will the Government of India be able to adopt all such measures if they join the proposed Inter-Governmental Maritime Consultative Organization? One of the vital objects of this proposed Organization is to ensure that there should be no discrimination by any Government in the matter of shipping. In plain language, although both America and Great Britain have adopted up to now a number of discriminatory measures to build up their own merchant navies, they would now call upon such countries like India whose shipping is in a stage of infancy, to agree that it will not give any such assistance for the development of its own shipping as has enabled the United Kingdom and America to develop their shipping in the past. To agree to such a policy—which will be nothing but a suicidal policy of inaction for countries whose shipping is in its early stage of growth—will be to nip in the bud the growth of Indian shipping and to prevent it from marching further on its right and legitimate path of expansion I, therefore, hope that our Government will not join an organization the object of which is to prevent backward maritime countries like India from developing their own national navy of supply.

"It is also quite essential that the Government of India should take effective steps to secure a place for shipping on the agenda of the International Conference on Trade and Employment As observed by the Shipping Policy Sub-Committee, the Government of India will have to put up 'a firm fight for enabling India to acquire her proper share of shipping if she is to play her real role in the reconstruction and expansion of world trade' I am, however, told that the subject referring to the promotion of national shipping was excluded from the agenda of that Conference when it met in London in October last. Similar efforts, I am told, are being made now that the Conference is sitting in Geneva. It is preposterous that countries in the world should meet for promoting the international trade of the world and at the same time agree to exclude shipping from their consideration although it is admitted by all that without the expansion and development of shipping, no country can contribute effectively towards the expansion of world trade. I would, therefore, appeal to

our Government that they should see that no action is taken at that Conference which may prevent the legitimate expansion of Indian shipping in the future.

"I assure you that despite the difficulties and the complexities of the task with which we have been entrusted, it is indeed a matter of satisfaction and encouragement to us that we carry with us the good wishes of this Chamber and friends like you for the success of the mission for which we will shortly be leaving for London"

At this meeting held to bid him farewell, Walchand indirectly gave his brothers in industry a slight idea of the sort of mental preparation, and the workings of his mind, with which he was proceeding to the forthcoming deliberations in England

Walchand reached London on July 12 and put up at the Dorchester Hotel. A letter from the High Commissioner's office was awaiting his arrival, informing him that the appointed meeting of shipping merchants was to be held on Wednesday the sixteenth at 2.30 p m, in the Board Room of the P & O Company

The meeting between the British shipping merchants and the delegation of Indian shipping merchants began on Wednesday at the appointed hour The chair was adorned by Sir William Currie, Chairman of the B I and P & O Companies Two sittings were held—On Wednesday and Friday In his opening speech, Sir William Currie unequivocally espoused the cause of British shipping interests, in the following terms:

"If these discussions are to bear fruit, it is essential that we should try to keep them to practical matters We on this side are aware of Indian aspirations; on your side you are no doubt aware of this country's difficult economic position, which requires us to maintain maximum exports, including our shipping services While, therefore, I hope we can each appreciate the other's point of view, we are bound to look at these broad problems from different angles and a general debate is not, therefore, likely to lead to any useful conclusion

"Our object here is to see whether we can agree upon any concrete proposals which may lead in the direction you want.

"On the United Kingdom side we have direct representatives of all the British liner companies, who regularly trade with India There are, of course, foreign owners (American and Continentals) who also engage in these trades, but it was thought that initially it would be better for these matters to be discussed with British owners. Foreign owners can be brought into the discussions—and

will need to be brought in—at a later stage when we come to examine the position on particular routes in which they are concerned.

"You have come all the way from India, and naturally it would not have been convenient or possible for all those who are anxious to develop shipping services in your country or even those who are now shipowners to send direct representatives

"As a result you have come as a 'representative delegation' nominated, we understand, by the Government of India If our discussions are to lead anywhere, it is important that we on this side should clearly understand just what is the nature and extent of the delegates' authority you have brought with you.

"We know that you are individually associated with certain undertakings and we assume can speak with full authority for them. We have been informed by the Ministry of Transport (who have it from the Government of India) that you will also speak for others But you will appreciate that in practical commercial negotiations it would be advisable from the start to be clear on whose behalf the parties are speaking and with what degree of authority May we know what companies have given authority to the delegation and whether any decisions we may be able to reach will require to be referred back to them or where exactly we stand in this respect ?"

While replying to this point raised by Sir William Currie, regarding the Indian delegation's competence, Mansukhlal Master and Sir Bijoy Prasad Singh Roy said :

"No question can arise here of the delegation's competence. It is as representatives of Indian shipping that Government itself has selected the delegation's members. and they are to hold talks with the British ship-owners in accordance with the recommendations of the Shipping Policy Committee The honourable knight asks us to let you have business proposals of a definite nature from the Indian Companies individually, after which you will consider the propriety or impropriety and the relevancy or irrelevancy of their various proposals, arrange separate talks for them one by one with the British shipping companies concerned with the various sea routes, and arrange to give your decision We object to this The question of relevancy is to be handled, not on the individual but on the national level. What should be the future shape of Indian shipping and the figures of the marine, has been clearly indicated by the Shipping Policy Committee and thereafter approved by Government also. The delegation's demands are fully in accord with the above, and it is these which have to be considered here What proportion

of the overseas carriage should go to India, has been clearly indicated by the Government of India's Commerce Member in his speech[16] in Bombay Have a look at it." (Mansukhlal Master read out this portion of Commerce Member Chundrigar's speech.)

"The chief purpose of our delegation is to learn the British ship-owner's reactions to the basic idea propounded under the policy adumbrated in this speech by the Commerce Member, and the hopes which he has expressed, to learn the extent to which the British ship-owners are prepared to give help in the work of expanding India's mercantile marine, and, in case this should be forthcoming, to discuss the form it should take. To say that the Indian shipping merchants should hold separate talks with the British shipping merchants individually, is beside the point The honourable knight casts doubt upon our brief and the scope of our authority ; he suggests that we are not authorized to speak on behalf of all the Indian shipping merchants We object to these statements We feel we must plainly say that to cast such doubt and make such suggestions is a sort of insult, not merely to this delegation itself, but to the Government of India which sent it here with the concurrence of His Majesty's Government Overseas carriage we shall positively start, under any circumstances. All that we chiefly want to hear from you is, how much of your tonnage you are prepared to curtail and allot to us The basic question is precisely this We only want to see how far you are prepared to solve it The question of individual discussions by the Indian shipping merchants just does not arise here at all."

The discussion which followed the speeches of Master and Sir Bijoy Prasad Singh Roy, showed Walchand clearly that the British shipping merchants were not for one moment prepared to grant a share, of the expected proportions, in the maritime transport between India and the United Kingdom ; they intended to maintain their overlordship—indeed, to strengthen it more and more.

On Friday there was a second session. Sir William Currie made another long rambling speech He said :

"Since our last meeting we on this side have given careful thought to the observations of your delegates and we cannot help feeling that the difficulty into which we got on Wednesday was largely due to a misunderstanding of our point of view. May I try briefly to put our position again ?

16 Speech at the meeting of representatives of Indian shipping companies held on April 14, 1947

"When the British Government were approached by the Government of India to see what they could do to help in the development of an Indian mercantile marine they suggested that the right course was for Indian owners to make contact with the British owners concerned in order to see how far new and expanded Indian services could be established by friendly co-operation So far as we are concerned, that is the background of this meeting

"We came here ready to consider sympathetically any concrete proposals We obviously cannot commit ourselves in advance to accept any particular proposal until we have seen it; still less can we commit foreign owners who are not represented here. But we have come with a genuine appreciation of your desire to enlarge the activities of Indian shipping and having regard to the influence in the various conferences concerned of the British ship-owners represented here, there would be, I believe good reason to expect that proposals which went forward with the blessing of this meeting would meet with a fair wind

"We find, however, that you have not come to put forward any such proposals but that you wish us to agree in principle to the recommendations of the Shipping Policy Sub-Committee, now endorsed by your Government That, quite frankly, we cannot do

"The main point is that we view shipping as a business in which everyone is entitled to engage and one in which the share of any country is determined solely by the service which the shipowners of that country can offer; consequently we cannot in principle—because this is a matter of principle to us—agree to any carving up of seaborne carrying trade into specific pre-arranged rigid shares This principle goes far beyond our relations with Indian owners We take up precisely the same position vis-a-vis the United States owners, whose Government have also from time to time set a target for its owners.

"To accept the principle of formal division of trade between flags would stultify the entire mercantile marine policy of this country, as of other countries who depend on the invisible export of shipping services.

"I would like to emphasize again that we are not slamming the door on any expansion of the Indian mercantile marine. One of your delegates spoke on Wednesday as though our attitude implied denial of the right of Indian owners to carry cargo to and from their own country. It does nothing of the kind As I have said, we believe that everyone is entitled to participate in the business of

shipping. We do not for one moment deny the right of Indians to build, own or operate ships.

"What we understood was that you were anxious to expand in such a way to avoid unrestricted competition, and it was with this in view that we declared ourselves—and I repeat the declaration—as perfectly ready to discuss with any Indian owner any concrete proposal to work in conference with us and so expand the activities of Indian shipping if that is the way in which Indian owners wish to expand.

"It seems to me it would be a great pity if today, which is indeed an historic day in the history of India and Britain, we should break up without any useful progress having been made in the direction in which you are anxious to move May I ask you, Mr Walchand, to communicate with your Government, if you feel you are bound by their directive, and to ask them whether they will face the position that we British shipowners cannot accept in principle the validity of your aspirations, and authorize you to proceed on the lines we suggest, so that we can examine concrete proposals and I hope enable you to return to India with satisfactory arrangements made for the immediate development of Indian shipping services"

This final suggestion from Sir William Currie was of course not accepted by the Indian delegation The two sides' approaches were so far apart, that prolonging the discussion was likely to prove a waste of time "Mr Chairman," said Walchand, "I am unable to accept your suggestion I and my colleagues are not prepared to continue the discussion further" And with these words, he left the meeting, accompanied by the whole delegation The discussion collapsed. The meeting broke up

That day, July 18, 1947, was one of historic importance. Such are the quirks of Fate that, on the very same day when the British shipowners were refusing to yield their overlordship of the maritime transport between England and India, in a different quarter the British monarch, by affixing his signature assenting to the Indian Independence Bill passed by the British Parliament, was consenting to yield Britain's political overlordship of India! What a contradictory and extraordinary dispensation!

Walchand had realized from the outset that nothing would come of these sessions. As a result of his talks with that fellow from the P & O., Sir Geoffrey Clarke, while attending the meeting of the International Chamber of Commerce at Montreux on June 5, 1947, Gaganvihari Mehta had guessed that nothing constructive would be

achieved in London, and the delegation would have to return empty-handed. He informed Walchand to this effect in a letter.[17]

Walchand at once reported the breakdown of the talks, through the High Commissioner, to the Government of India, and asked for further instructions Next day, Walchand published a lengthy statement on this subject, in the newspapers. He concluded this statement with the following:

"The Indian Delegation, therefore, regret to observe that the attitude of the British shipping interests, to say the least, was not at all constructive or helpful It seems they are determined to continue their domination in future as in the past over India's overseas trade.

"This has naturally imposed new obligations on the Government of India They will have to explore other avenues and adopt more radical methods for building up for India a Merchant Navy which she urgently needs to promote her national economy, to safeguard the strategic position and to meet requirements for defence"

As soon as Walchand's statement appeared, a certain Sir G Campbell, Managing Director of the P & O Company, published a counter statement on behalf of the British shipping merchants, giving their side The publication of these two statements touched off a flurry of criticisms, interviews, correspondence, and editorial comments for some time, in the British and Indian newspapers.

Some of the British shipping merchants thought that the Government of India would instruct the delegation to resume the discussions. But that did not happen The Government of India was no less displeased with the British ship-owners' attitude; however, it requested the delegation not to leave London immediately, but to wait a short while for its suggestions Meanwhile letters passed between the British Government and the Government of India And very soon Government sent the delegation a message that, for the time being at least, there was no object in continuing the discussions, and that it might return On July 27, 1947, the Government of India issued a public statement[18] to the effect that

17 Gaganvihari Mehta writes to Walchand from Geneva (June 9, 1947) "Sir Jeremy Raisman was there and we met a lot Sir Geoffrey Clarke (of P & O) was there but he was pretty nasty I am afraid the Shipping Delegation is going to be sent back empty-handed and told that nothing can be decided until it is known whether there is to be one India or two—and a Dominion or an independent country"

18 "There never has been any difference of opinion between the Indian Government and the Shipping Delegation as regards the scope and purpose of the negotiations The desire of the Indian Delegation and the Indian Government, that negotiations should

it had no difference of opinion whatever with the delegation's clarification of the purpose and scope of the discussions.

About this time, Chundrigar left, and C. H. Bhabha occupied the post of Commerce Member. He decided to waste no time in wrangling with the merchants of the United Kingdom, but to start discussions with other countries

Since no further talks were now to be held with the British shipowners, Walchand was left free to attend to his own business and private work. He decided to stay in England till September end, and then return home

The health which Walchand was now keeping was not so good He could not rid himself of the feeling that somewhere inside him—especially in his lungs—something was the matter He was sixty-five—an age at which a man, even from small causes, sometimes becomes anxious about his health At about this time, Walchand too began to feel a little anxiety of this sort As soon as he was free from the discussions, he had himself thoroughly examined by a heart specialist called Dr R A Hickling His opinion,[19] that the X-ray examination disclosed no signs of the sort of lung disease he mentioned, nor of any heart condition, somewhat reassured him Yet by a strange coincidence, two or three days later a letter (July 30, 1947) came for him from Bombay, from his brother Lalchand, with a piece of sad news, the reading of which greatly upset him Lalchand had written : "I feel very sorry to inform you that Sir Dhanjishah B Cooper expired last night at 8 30 at the Taj Mahal Hotel He had a severe heart attack about a week ago It seems he was suffering also from diabetes After a week's illness he breathed his last I saw him yesterday night at 8.00 when I was told that doctors expressed hope about his recovery and they considered his progress quite satisfactory Within half an hour of my seeing him he passed away."

On reading the news of Sir Dhanjishah Cooper's death, Walchand was cut to the heart He had lost for ever a staunch, idealistic

be on an overall basis for the allocation of increased shares, both in coastal, as well as overseas trade to Indian shipping was made abundantly clear to H M Government and must, therefore, presumably be known to the British Shipping interest also It has also been explained that the recommendations made by the Shipping Policy Committee would form the background of negotiations from the Indian side"

19 This Dr Hickling's opinion was as follows.

"The X-ray of your chest shows no signs of any lung disease The heart lies rather horizontally, due to slight gastric distension, but I do not think it is truly abnormal in shape or size The aorta shows the slight degenerative change which one would expect at your age There is certainly no evidence from X-ray, of any important heart or lung disease"

colleague in the machine manufacturing industry, and a congenial friend.

Once more Walchand read through that letter. "Dhanjishah dead!" he exclaimed in a choked voice, turning sad eyes upon Kasturbai sitting near him, "Alas, alas! our Dhanjishah Cooper dead!" Before his mind's eye, a picture of good Mr. Dhanjishah lying on his bed with a heart attack flashed for an instant, and immediately vanished 'Who knows? It'll be like that with me too, some day.' A wave of doubt suddenly reared, swept through every corner of his mind with a strange dry ring of sound, and died And then—his mind began to think, 'Doctor Hickling tells me that nothing whatever is the matter He says that there is absolutely no sign of any damage to the heart and/or lungs Doctor Andrew says the same But what about the way my body murmurs every now and then? From time to time I do feel that this murmuring is meant to warn me that my lease is running out—isn't it so?' But he did not allow this thought to stay for long 'Everything would come all right with a change of scene and a change of air; the murmurs would stop and my body would feel well, and then I too would begin to feel fit and fresh' With such thoughts he exorcized himself, completely changed the subject, and turned it in a completely different direction. He decided to get out of London and spend two to three weeks travelling about the South of France and Switzerland And very soon—on August 13—he set out for the South of France, accompanied by Kasturbai and Bahubali

Walchand passed some days on the coast of Monte Carlo, some days on the shore of peaceful and lovely Lake Geneva, and some at wooded, picturesque Lausanne, in great happiness and contentment His mind, which had seemed to be exhausted by London residence, became full of bloom, and his tired-looking body began to show itself tackling work with its former *elan*

On September 5, Walchand returned to London At that time two new steamers of large size were being built for the Scindia Company at Glasgow and Newcastle Their launching ceremonies were to be held very shortly Walchand's plan was to go home after these were over His nephew Bahubali was to see the Streatley Manufacturing Company's plastics factory at Birmingham, and a sugar factory and Cadbury's chocolate factory at Peterborough.

The launching ceremony of the *El-Hind*,[20] built at Glasgow, was

20 After this ship was completed her name was later changed from *El-Hind* to *Jala-Azad* The steamers *El-Hind* and *El-Medina*, formerly built for the Haj pilgrims, had been

to be performed by Walchand's wife Kasturbai on September 18, For this purpose Walchand, with Kasturbai and Bahubali, proceeded there from London on the 12th. In reaching Glasgow five to six days ahead of time, his object was probably to get an opportunity of some leisurely business talks with the ship-builders there, and at the same time to let his accompanying nephew Bahubali pick up some knowledge—be it much or little—of the industry there and the leading men who conducted it.

On September 18, according to plan, the launching ceremony of the twin-screw steamer *El-Hind (Jala-Azad)* of 8,704 gross registered tons, from the slipway of William Hamilton and Company's yard at Glasgow Docks, was performed with great eclat. It began with Kasturbai's drawing the swastika sign on the white hull of the ship with moist kunku powder, offering a garland of flowers, sprinkling sacred rice, and breaking a coconut in the Indian manner[21] On the steamer's bow, a flower-threaded national flag of Free India, specially made and sent from Bombay, was broken out This new ship of Scindias had the good fortune, that day, of winning the proud honour of showing the first flag of Free India at a British dock. She took the water amid shouts of "Hurrah for Free India!" Then V K Krishna Menon, who had replaced the former High Commissioner Vellody, read out a message of greeting from Prime Minister Nehru In this message, Jawaharlal Nehru had said: "In recent times India has been without her mercantile marine, but she is determined to resume her former place as a seafaring nation The ship being launched today is a symbol of that resolve and our hope for its formation"

After the reading of Nehru's message, Walchand made a brief speech. He said·

"India's need for the revival and development of national shipping had been misunderstood in some quarters, particularly in this country To get an accurate perspective of India's desire for the development of Indian shipping one must view it against the background, first of past history, and secondly of the country's economic needs

"India had until about the middle of the last century prosperous

lost in the War The former was lost in the great explosion of 1944 at the Bombay docks The Company initially thought of replacing them with new steamers of the same names, and restarting the Haj service But afterwards Pakistan and India were made two separate States A Muslim steamship company was formed in Pakistan In view of this, it was decided to cancel the former plan and use these ships for traffic between India and England

21 According to European tradition, a bottle of champagne is broken on the keel

shipping and shipbuilding industries which became extinct, not owing to incompetence or as a result of free or fair competition from more efficient rivals, but consequent upon the restrictive enactments aimed at Indian-owned and Indian-built ships under the Navigation Laws The non-Indian interests which took over the maritime trade of India grew powerful in this trade in which they enjoyed an unchallenged monopoly for nearly 73 years As a result of this situation a realization had dawned upon the Indian people that so-called free competition in shipping, where the opposed interests were so very unequally matched, was sheer moonshine and anything but fair, and whether calculated or otherwise did in effect ensure the continuance of the domination of Indian maritime trade by the existing very resourceful non-Indian shipping interests

"Now let us turn to the economic aspect India has a vast seafaring population, the second or third largest in the world With the extinction of Indian shipping in the past century, Indian seafarers were thrown out of employment, and whereas a small number found employment in British ships, the great majority were chronically unemployed, and had to eke out an existence in the precarious and seasonal employment of agriculture The lot of those employed in British ships was not much better, as they have all along been denied not only anything like the wages paid to British seamen but even the very elementary social benefits to which British seamen have been entitled for years past Accordingly the Indian people have come to recognize that stable employment for Indian seamen can only be provided in national ships

"India commands an extensive maritime trade and contributes substantially to world trade Other countries which do not contribute as much have larger merchant fleets Thus in 1939 Greece contributed to world trade only 0 5 per cent but had a 2 7 per cent share in world tonnage Italy contributed 2 4 per cent to world trade but had 5 2 per cent of world shipping and Japan with 3 2 per cent of world trade controlled 8 6 per cent of world tonnage India, on the other hand, although she contributed 3 per cent to world trade, that is nearly 12 million tons had no more than 0 24 per cent of the world tonnage that is only about 200,000 tons The old British adage 'He who pays the piper calls the tune' is a sound one, and I submit that approximating a country's merchant tonnage to its contribution to world maritime trade would appear to provide an equitable and legitimate basis for the balancing of world tonnage to world maritime trade. Accordingly, if the tonnage of a country is to be related

to its maritime trade India's claim for the expansion of her national shipping is obvious and incontrovertible. The Indian public find that today they have no share at all in their country's foreign maritime trade and only an inadequate share in its coastal trade. India's trade both ways with this country reaches the substantial figure of about 2,000,000 tons per year, and yet almost all of this trade is monopolized by British shipping with not even a fraction for Indian shipping.

"This brings me to the failure of the recent talks between British and Indian shipowners It is unfortunate that British interests seem to have failed to recognize that India is coming into her own, that British interests had a long innings in monopolizing India's maritime trade but that now they must make room with good grace for the children of the soil It is to be hoped that even now wiser counsel will prevail and that British statesmanship and sense of fair play will recognize the obvious fact that good will and friendship between the two countries can only be established and maintained on the basis of the recognition by each of the legitimate aspirations of the other."

The ceremony was attended by many British manufacturers and shipping men They were obliged to listen quietly to the outspoken speech in which Walchand exposed the bitter truth and gave expression to all the anguish of his heart One notes with satisfaction and no less surprise that those leading papers, Lloyds List and Glasgow Herald, published this unpalatable and biting speech of Walchand's in full, and gave it very substantial publicity

After the steamer *Jala-Azad*, the launching of the 8,425 ton *Jala-Jawahar*, built by Messrs. Swan Hunter and Wigham and the Wallsend Slipway and Engineering Company at Newcastle-on-Tyne was performed by India's High Commissioner V. K. Krishna Menon on September 30, 1947. Walchand attended this function also

Walchand left London on October 2, and reached Bombay on the morning of the 18th. As he set foot on the pier, he was interviewed by a representative of the Press Trust of India He said:

"Every maritime country in the Continent and America had added, and was adding rapidly, to its merchant navy. India alone had lagged, and is still lagging behind. India's merchant fleet is so insignificant that it cannot carry even a small fraction of its own national trade. England alone lost over eleven million tons of shipping during the war The enterprise and foresight of its people and the drive and decisive policy of its Government had made up

this huge loss, by the construction and acquisition of new ships.

"India must not waste time any further in futile negotiations with Britishers, nor beg of them to allow Indian shipping to carry the trade which belongs to her as a matter of right, but must take prompt decisive and immediate steps to expand her merchant fleet.

"If India is to maintain and preserve her dearly won independence it is of supreme importance that she must soon have both a powerful navy of defence and a large navy of supply. It is, therefore, essential that Indian shipowners should be enabled in every way by the National Government to give full expression to the rapid development of Indian merchant navy during the coming years, under a policy of active and definite encouragement by timely and substantial assistance Strenuous efforts should be made forthwith to acquire tonnage from every available source, every possible step should be immediately taken to build new ships both at home and abroad It should be given a high priority in the national economy and the highest priority in national defence, so that India can build in Indian yards large merchant, as well as naval ships"

Both the *Jala-Azad* and the *Jala-Jawahar* had been constructed for the carriage of freight and passengers between India and the United Kingdom Almost one year after being launched, their construction was complete, and they reached India in June and September 1948 respectively commencing their trips on the British route from the month of December After them, three Liberty ships were purchased from America, given the new names of *Jala-Moti*, *Jala-Mayur* and *Jala-Manzari*, and started on the same route Already at the beginning of 1947, five Liberty ships had been purchased from the U S Maritime Commission, which were presently supplemented by two more steamers, and a start had been made of carriage between India and America

As he beheld all this, Walchand felt as though he had realized the hope, firmly cherished for three decades, of seeing with his own eyes overseas transport being performed by Indian steamers He had been vouchsafed the boon of seeing the fulfilment of one of his life's great ambitions But along with this boon, he was able on the other hand to see only a very scanty fruition of his intense desire to behold a glorious boon for the Scindia Company too, for whose growth and stability he had fought and fought against adversity for thirty long years, enduring troubles without end Thanks to this, all his satisfaction from hopes fulfilled could not bring peace to his mind. Thinking about the Scindia Company's future would some-

times leave him in acute disquiet. In addition, since the sudden deterioration of his health in the summer of 1948, his physical soundness seemed to have gone. He was troubled by a blood pressure condition, aggravated by gout. His hands had begun to shake somewhat Some impediment had crept into his speech Due to a slip and fall in his bath-room at Poona, one leg had become somewhat twisted. His old fire had gone. Nothing but his tough stamina and strong will-power prevented a substantial break in his regular affairs He forced his somewhat reluctant body to work.

By now, the Scindia Company had fallen into serious financial trouble The financial burden, which had grown side by side with the Company's growth, was becoming heavier and heavier day by day It was found more and more difficult to face the growing loss This had made the directors uneasy and spread discontent among the shareholders. The workers' section, aggrieved by failure to receive the annual bonus, had begun to agitate It might well be supposed that the financial situation which provoked all this, was due to errors of management and others of a serious nature Such however was not the case A situation had developed which it had become difficult to keep under control Even so, had Walchand been physically fit, he would have found a way out of this too ; but he was growing daily weaker and more dependent on others.

Under such conditions, Walchand began to feel that unless the Scindia Company obtained powerful support and unerring guidance from some quarter, it would be difficult for its affairs safely to ride out the stormy winds of adversity There was just one man on whom he counted, and that was Sardar Vallabhbhai Patel In July 1949 Walchand wrote[22] and informed him about the situation of

22 In this letter to Sardar Patel (16-7-1949) he clearly stated the reasons for the crisis which had overtaken the Scindia Company as under

(1) Scindia had to spend over two crores of rupees in repairing old ships worn out during the War Thus its small reserves were wiped out Scindia lost 8 ships during the War and they have been replaced at a very high cost

(2) Rightly or wrongly Scindia diverted its war profits and fresh capital to the extent of five crores towards Vizag Shipyard without earning anything on this huge investment As a result of establishing this key industry and in absence of timely Government help, Scindia had to mortgage all its assets and raise Debentures of Rs 5 crores last year to finance its legitimate shipping business Even when Government take over the shipyard, Scindia will have to find over Rs 30 lakhs every year for debenture interest and Sinking Fund This sacrifice Scindia has willingly made for establishing a national key industry

(3) Pursuant to Government policy Scindia entered into American and European trades Giant state aided foreign shipping companies with their vast financial resources are dumping most modern ships against us regardless of consequences and Scindia has thus lost about 40-50 lakhs during the last 12 months To carry Indian flag into British waters and to establish passenger service between India and U K Scindia is committed to spend Rs 5 crores for 4 ships—two of which, *Jala-Jawahar*

the Company, saying "Often in the past you have run to the Scindia Company's rescue in time of crisis, and saved it I am hoping that this time too you will run to it as before, and rescue it safely from its present situation."

In this letter to Sardar Patel, Walchand drew his attention to yet another question of extreme urgency, and asked his advice regarding it. This was the question of who should manage the Company for the future, and on what policy For 30 years continuously from its inception, the Scindia Company's management had been left to Narottam Morarjee and Company. Although Narottam Morarjee had made arrangements to pay some share of this Company's profits to the Scindia Company's founders—Walchand, Lallubhai Samaldas and Kilachand Devchand—yet no share in its ownership had been reserved for these three Its sole owner was Narottam Morarjee himself After him, its ownership had passed to his son Shantikumar and his daughter-in-law Sumatibai In 1948-49, acute disagreements arose between the Scindia Company's directors and shareholders, and the whole atmosphere was poisoned, which filled Shantikumar with disgust He began to think of giving up the Managing Agency of the Company, as he plainly said to Walchand and some other directors Sumatibai however did not approve this idea of Shantikumar's Her proposal was that, looking to the increasing scope of the Scindia Company, instead of taking the burden of its future management on the two of them, new persons should be taken as partners, such as would be able to devote their energies and sufficient time for the work of management; Narottam Morarjee & Company should be reconstituted and kept going, or a completely fresh organization should be formed Henceforth, she suggested, instead of the management of Scindias being entrusted to just one individual or private company, it should, in recognition of its being a national body, be entrusted to an association which would be in a position to take an impersonal approach towards its management She separately conveyed this suggestion to Walchand, who approved of it [23]

and *Jala-Azad* are now in service, and two more *Jala-Vallabha* and *Jala-Rajendra* will be ready next year These ships will never pay without liberal Government help

(4) In the coastal trade delays to ships in ports are ruining us Last year Scindia lost about 30 lakhs and this year will lose 40-50 lakhs because ships cannot get loading discharging berth without long delays and labour is continuously going slow

23 In his letter to Sardar Patel he writes

"I appeal to you to consider Mrs Shantikumar's scheme as most appropriate in the cause of national shipping . . . If a bold and long range decision is not taken at

Walchand too, for the last three or four years, had himself been thinking along the same lines, about reconstituting the managing agency. He had even suggested to Shantikumar on one occasion that this reconstituted managing agency should be on the pattern of Tata Sons Limited. With this view, one or two drafts of schemes had even been prepared for mutual consideration, yet they never achieved final form Afterwards, Shantikumar, feeling angry and disgusted at some captious observations made about him by some members of the "Committee of Action" appointed by a clique among the Scindia Company's shareholders, began to talk desperately about wanting to get out of the responsibility of the agency ; on learning of which Walchand wrote to him[24] (February 22, 1949) conveying his disapproval of that idea He wrote : "In view of my health and altered circumstances we must now get co-operation from Mr Dharamsey and Mr. Tulsidas. The scheme prepared by me and you in 1947-48 should be suitably altered. I would like to discuss with you such a scheme."

Along with this letter, he also sent Shantikumar a rough draft of that old scheme, after making such changes as he deemed necessary from his own point of view It seems that the scheme in this draft was not much liked by Shantikumar or the other directors Everyone was busy making different kinds of suggestions Under the agreement with Narottam Morarjee & Co, the agency's term expired on March 31, 1949. The Board of Directors had extended it to June 30, after fhich it was necessary to come to some definite decision about the agency Yet June gave place to July, and still nothing was decided ; nothing was going on, beyond discussions When Walchand saw this, he was compelled to write to Sardar Patel on July 16, as mentioned above and to request him to look into this matter

Walchand informed some of the directors about his having written to Sardar Patel This news gave a fresh powerful impetus to the matter of the managing agency On September 23, 1949 an

this stage and if the management is given to one individual howsoever competent, or to a private firm, same type of crisis is bound to arise after some time My only appeal is that Scindia's management should be now well organized on impersonal basis so that best available talents can be absorbed therein from time to time"

24 "I do not like your idea After having brought the Company to this position we must find a solution In shipping business there are bad periods, but because of that we cannot break up what we built up during last 30 years We have all worked hard and honestly for about thirty years to bring Scindia to its present position Even mighty foreign companies have learned to respect Scindia We must stand together in this difficult period and put the management on sound, efficient and progressive basis That is our duty which we cannot ignore. We must find a solution"

informal meeting of the directors was held at Walchand's bungalow. At this meeting Walchand sponsored a resolution that a fresh managing agency be created Thereupon he prepared a scheme for establishing a private limited company under the name of 'Walchand Morarjee Private Limited' This scheme provided that the managing board should consist of five persons · Gulabchand Hirachand, Bahubali Gulabchand, Kishore Maneklal Premchand, Sumatibai Morarjee, and one name to be chosen by Walchand himself; and that the Chairmanship should go to whichever member was seniormost in age and experience There was a clear proposal that all the directors should be of one mind while carrying on the management on the principle of collective responsibility Some people liked this scheme of Walchand's, while others began to criticize it, saying that Walchand was taking advantage of the situation in order to get his own way This induced Walchand to withdraw his schemee At about this time, Sardar Patel decided to hold a meeting in Delhi on October 24, to exchange ideas about the future management of the Scindia Company, to this he sent invitations for six directors of the Company and two representatives of the shareholders' Action Committee

It had now become necessary for the Company's directors to place some concrete scheme, for the managing agency and the Company's management, before this meeting called by Sardar Patel The task of preparing this was entrusted by the managing board (October 18, 1949) to Shantikumar Morarjee. Shantikumar communicated his views as regards reconstituting the managing agency to Walchand (October 19) and asked his advice Walchand made his own minute and sent it to Shantikumar, who however would not consent to join the managing agency's directorial board which was to be formed under the scheme suggested therein[25] He prepared his own separate scheme and submitted it to the managing board (October 20, 1949) This was debated in the board's meeting, but no definite verdict was pronounced, it was resolved to give it further consideration at the next meeting.

25 Although Shantikumar did not like the scheme in this minute, Walchand must have placed it for consideration at some private meeting of the directors He wished that it should come to the Sardar's notice, as appears from a note which the present writer found among his papers But it seems that it must not have been placed at the meeting in Delhi Under this scheme, Walchand had suggested that the managing agency's directors should comprise Sumatibai Morarjee, Kishore Maneklal, Bahubali Gulabchand, and—in place of Shantikumar—Gaganvihari Mehta This last being at that time Chairman of the Tariff Commission, he had proposed that Government be requested to release him as early as possible

This meeting called by Sardar Patel went on for two days (October 24 and 25) at his residence in Delhi. At the Sardar's insistence that in view of Walchand's state of health, he should not come to Delhi himself, but should send someone on his behalf, Walchand sent Lalchand to Delhi After the two days' discussions, the representatives proposed—with one dissenting voice—that the agency should be kept with Narottam Morarjee and Company; that to infuse greater vigour into it, its partners should include two extra persons; that one of these should be Gaganvihari Mehta or, he being unwilling, someone from the top flight of Government officials like Vellodi or Sir Raghavan Pillay, while the other should be Mansukhlal Master After a trunk call had secured Walchand's concurrence, approval was given to Sardar Patel's proposal to give the Chairmanship of the Scindia Company's managing board to Dharamsey Khatau There was also approval of a suggestion from the representatives of the shareholders' Action Committee, that Kasturbhai Lalbhai be taken on the directorial board

It being necessary that the above arrangements decided in Delhi should be duly ratified by the Board of Directors, the letter which all the representatives had signed and given to Sardar Patel regarding the arrangements agreed upon at the Delhi meeting, was placed for ratification at the meeting of November 7 The Board of Directors ratified the arrangements and proposals indicated therein Leaving aside Master, of the three individuals whose names had been suggested in that letter for being taken as partners in the managing agency, not one could be spared from his particular work hence, on the suggestion of Sardar Patel, it was also decided to take Narayan Dandekar, currently a Joint Secretary in the Indian Government and formerly Income-tax Commissioner, as Manager of the Scindia Company for three years

As for all that was done for the reshaping of the managing agency in Delhi and later in Bombay, Walchand quietly watched it happen, and kept his thoughts to himself Once the Sardar had been entrusted with the work of deciding what should be the arrangements for the Scindia Company in the future, and of carrying these into effect, it was from all points desirable that, as a well-wisher of the Company, he should stand aside; and with this conclusion he adopted the role of non-involvement with perfect restraint.

An idea of this role of his can be gathered from the following incident One day—whether because he felt that he had not acted

rightly in not taking any member of the Walchand family among his managing agency's directors, or whether his conscience had begun to tell him that his behaviour was irreconcilable with the feeling he had so often been expressing with regard to Walchand—Shantikumar Morarjee began a telephone conversation to the following effect: I was very keen that Bahubali should share in the managing agency; but at the Delhi meeting, for a number of reasons, I could not put his name up, in spite of what I felt However, I want him also to be included in the directors of the managing agency, and I will positively suggest this to the Sardar Please give your consent"

Walchand heard him quietly, and replied in one sentence "I and my brothers are not inclined to spare Bahubali from our business" Subsequently Shantikumar Morarjee sent Walchand a letter[26] pressing him to change his mind about Bahubali (November 11, 1949) but he did not change it His No was final. He never allowed Shantikumar Morarjee to raise the topic of Bahubali again He had long recognized that the wind had changed its direction

With the Scindia Company commencing to function under the new dispensation, Walchand sent in his resignation as its Director and Chairman on January 17, 1950, and retired from its affairs.

Thirty years had now (1949) elapsed since 1919 when Walchand had bought the 5,934 gross registered tons steamer *Loyalty*, and had entered the shipping business in association with Narottam Morarjee, Lallubhai Samaldas and Kilachand Devchand All these three colleagues, after playing their part in the industry awhile, had bowed before Time's sickle Firmly resolved to direct his steps as his own intelligence and inner voice should advise, and along the path which they should point out, Walchand roamed this field of industry exactly as he roamed his other fields of industry. He used to tell himself in the words of Chanakya, "No matter though all else desert me in life, yet my intelligence should desert me never". For him, the power of intelligence was the highest power of all, making all others rank well below it And in his case at least, this was the truth—to which the story of his shipping business stands today as a living witness

26 "As far as I know Shri Master will welcome the inclusion of Shri Bahubali in the Agency and we would do our best to see that he is there You are one of the founders of the Scindias and your house should be associated with Scindias and so I appeal to you and your brothers to change your mind and spare Shri Bahubali for the Scindias" Although Shantikumar thought at that time that Mansukhlal Master would join him, he afterwards declined to do so Master had already (July 3, 1949) retired from the Scindia Company's service

He took an old steamer ; he paid no heed to ridicule and adverse criticism ; he plunged into an industry which was so far utterly unknown to him. And when he retired from it thirty years later, his creation the Scindia Company and its subsidiaries could boast of a fleet of 54 steamers, totalling between them 2,23,384 gross registered tons. This does not include a 49 per cent share in the Travancore Steam Navigation Company formed by the Travancore State at Trivandrum in 1944 The Scindia Company had learned to command the awed respect even of foreign companies. To raise up such a great shipping industry, and make it respected, Walchand had had to fight against adversity and wage a furious and relentless struggle, with nothing to sustain him save the power of his intelligence and his unerring inner voice.

The story of this fight, these struggles, has become the story of modern India's shipping industry In years to come, when someone shall take his pen in hand to write the history of present-day India's navigation, he will not be able to take one single step without describing the history of the achievement of this intelligent, foresighted and valiant man, who himself made the history of shipping in these modern years

14.

A MYRIAD-SIDED PERSONALITY

As the record of Walchand's life unfolds before our mind's eye, at each moment we become aware that we are watching the life-story of a man fearless, decisive, devoted, full of paradoxes, endowed with natural gifts of intelligence, intuition, inexhaustible creativity; a man of ideas; a man out of the ordinary And even after the unfolding is over, the tablet of our mind long retains the impress of those images flashed by the multi-faceted rays of light, which emanate from Walchand's personality Then, waves of thought begin to crowd our mind After a few moments those waves begin to be stilled, and that remarkable person named Walchand stands there, filling our mind's whole space And one thought alone echoes through our mind He was not an ordinary mortal of this earth, but a historical figure of our age.

After reviewing Walchand's career, one begins to feel that all the competing impulses of Indian industry in the last half century became, as it were, fused in the person of Walchand All the important trends that began to flourish during the transition of India's industrial life became, as it were, centred in this man As the country's economy moved to a crisis, the industrial forces which were released coalesced together, and this man became, as it were, the centre of them The towering greatness of this man Walchand was due to his ability to centre impulse, trend and power. in the field of industry, in himself This man could confidently show the way to solve the problems of the people germane to the industrial life of these times, and capable of producing a lasting and profound effect in regard to its good and ill There was about this man an aura of a creative power which was able to conceive splendid ideas and carry them to splendid fulfilment 'He saw the vision big and knew how to make it great' He belonged to the genus of deep, violent, colossal, passionately striving natures He had a mysterious,

indefinable insight amounting to genius. It was this which made people salute his greatness.

As in body, so in intelligence also, this man Walchand overtopped his contemporaries The kind of direct answers which demanded to be given to the live questions that faced the public, this man gave in full measure, in a language it could understand and with an adroitness that would convince it Walchand devoted to his country the qualities it needed so badly in the difficult economic circumstances of our time: knowledge, initiative, restless energy, lofty ideal and a dedicated enthusiasm. The industrial and economic hopes and longings of the Indian people, in the last half century, found a voice in Walchand. This is what made this man Walchand's shape historic.

It was 1906 The historic session of the Indian National Congress, which was to clarify New India's national ambitions in unambiguous form, was held in Calcutta City in December It was presided over by the doyen of Indian politics, the venerable Dadabhai Naoroji. From this year, Indian politics took an altogether new turn "Our goal is Self-government alone" was Dadabhai's clear-cut message to the nation; to achieve it, he proposed the abandonment of the existing method of petitions and requests, in favour of the method of self-reliance After seeking, for fifty years on end, to secure political rights for Indians through all sorts of constitutional means, he had found these useless, and now in his eighty-first year he gave this message in plain terms While giving it he said "Since my early efforts, I must say that I have felt so many disappointments as would be sufficient to break any heart and lead one to despair and even, I am afraid, to rebel My disappointments have not been of the ordinary kind but far worse and keener Ordinarily a person fights—and if he fails he is disappointed But I fought and won on several occasions, but the executive did not let us have the fruit of those victories—disappointments quite enough as I have said, to break one's heart"

These words touched the many young men assembled there, to the bottom of their hearts And when he ended with the clear ringing words "I do not know what good fortune may be in store for me during the short period that may be left to me, and if I can leave a word of affection and devotion for my countrymen, I say Be united, persevere and achieve self-government so that the millions now perishing by poverty, famine, and plague, and the scores of millions that are starving on scanty subsistence may be saved, and

India may once more occupy her proud position of yore among the greatest and civilized nations of the world", men felt as if some ancient prophet had been reborn, to give their young generation his last message.

This session of the National Congress was attended by Walchand together with some of his friends. Dadabhai's speech, and the ensuing speeches of Lokmanya Tilak, Bipin Chandra Pal, and other leaders, proposing a three-fold path to freedom via boycott of British goods, Swadeshi and national education, exercised a lasting and inspiring effect on his youthful mind. He had obtained a sound idea of his country's economic slavery from reading Dadabhai's famous book *The Poverty and un-British Rule in India*. He had read it while studying Economics at college. At that time it had left his mind restless, and had inspired in him a profound contempt for the British robbers who had brought his country into affliction. This feeling was re-awakened in his heart by the speeches at the national session in Calcutta.

The session of the Indian National Congress was followed by a meeting of the Indian Industrial Conference, presided over by the famous Indian economist Romesh Chandra Dutt. His speech, which was a challenge to thinking upon *Swadeshi* and industrial revolution, was heard by Walchand, who also attended the holding of the National Swadeshi Conference. There he listened to speeches made by Lala Lajpatrai, Lokmanya Tilak and other leaders, on how to give an organized form to the Swadeshi movement. He was also an observant visitor to the great exhibition of Indian-made goods, held through the agency of the Industrial Conference. The combined effect of all these on his youthful mind was as revolutionary as it was profound. At that time he definitely resolved that it should be his life's work to spend his days, devotedly and unswervingly, doing everything in his power to remove the poverty and economic slavery of his country. He fully made up his mind that his country could not become free in the true sense, unless political revolution was accompanied by industrial revolution. From that day, his thoughts and actions had but one sole object, the industrialization of his country. He devoted his whole life to the task of winning economic freedom for his country.

In the years which followed, whatever industries he started, and staunchly conducted in defiance of the obstacles created by foreign traders and British bureaucracy, all fell into the pattern of India's economic fight against the British. To his own lightning-swift

perception he added a creative intelligence and made full use of it in that fight. This enabled the country to advance in the industrial field step by step He was firmly convinced that after thoroughly indianizing India's future development, commerce and industry, these could be expanded only by taking the help of modern science and technology. With this conviction, he kept the industrialization of India before him as his sole ideal, and passed his whole life in pursuit of it. In one of his public speeches he bluntly declared, "Just as our national leaders will get no peace until this country gets self-determination, in the same way people in industry, like me, will not sit idle until all the avenues of business are open to us, and until we can give our industries firm roots."

There were those who criticized Walchand as a dreamer, oblivious of actuality, creating friction where he should not, obstinate and opinionated, allowing no peace either for himself or for others These criticisms were answered by Walchand after recounting his dreams of the shipping industry, during his speech of thanks at the banquet given in his honour by Pranlal Devkaran Nanjee, at Bombay's Willingdon Sports Club on January 11, 1940 He said "These are my dreams You all know that they are far far away from the existing realities And why is that so? The answer is obvious. We are a subject nation. My friends say that Walchand is obstinate I am firm in my resolve and do not yield But can I be or have I remained really so? Do you not all know how Walchand the obstinate, has to proceed, sometimes invited, sometimes uninvited to Calcutta and to Delhi and even to London for obtaining that for National Shipping which belongs to it in every country having its national government as a matter of its own birthright?

"My friends across the seas often remind me, 'You have already got your economic Swaraj'. They then tell me that England has given India the boon of discriminating protection. Protection from whom and for whom? That is the question I often look right and left, backwards and forwards to find this protection for my shipping industry. But what do I find? Not protection but subjection I have not the solace for my shipping industry of the benefit of the boon of this discriminating protection, now halting, now hampering, but always reminding one of its untimely approaching demise And even if my Government were consciously or unconsciously to make the mistake of giving protection to our shipping industry, the present

constitutional act will compel them to feed the over-fed lion every time that they feed the famished Indian lamb with the result that instead of the lamb growing side by side with the lion it will soon find itself completely inside the lion This is the economic Swaraj which at present is destined for the Shipping industry And if I try to disown it they say Walchand is obstinate, he has not the Christ-like quality of living and letting others live What can I do? I must continue to be obstinate as I must remain true to my country and true to my cause"

Walchand took industry for his god, and ceaseless striving after the country's industrialization for his religion. In his country's liberation from economic slavery, he felt, lay his true salvation. We never find him particularly contemplating or practising religion in the popular sense If anybody ever questioned him on this subject, he would reply · "A trading man's god is only business, only service of this is God's service. To wear out mind and body faithfully in this service is his only religion. This kind of creed is his only religious creed" Occasionally, while talking with friends and companions, he would say: "Look at this! Because I don't visit the temple, don't sit to hear sermons and devotional songs, don't read scriptures, don't make vows and penances, therefore my kith and kin find me to blame You remember what Saint Savta says, in the film 'Savta the Gardener', don't you?

"Onions, greens and spuds—
They alone are my gods"

In the same way, my God is the Factory and the Cane-fields." Walchand was very fond of this film "Savta the Gardener" Often he went to see it, specially to hear this couplet from Saint Savta's mouth

Walchand did not much care for religion or spirituality Nor did he ever got involved in religious or community movements Once, during the Harijan Temple Entry agitation, Thakkar Bappa wrote a letter to Walchand (February 15, 1940) begging him to influence his fellow Jains to withdraw their opposition to the admission of Harijans to the Jain temple at Shravan Belgola In this he had written: "You are a leader of the Jains. You will be able to persuade them and make them keep the temple open for the Harijans I look for your help and sympathy" Walchand told Thakkar Bappa that he was not correct in taking him for a leader

of the Jains; he took no interest in anything to do with the Jain community.[1]

Apart from economics, Walchand never interested himself in any -ics or-isms. In religion his attitude was one of neutrality, wherefore he never meddled in his family members' religious or spiritual life In these matters he reckoned that each man must have full freedom to act according to his own bent. The members of his household were of a religious bent. His father Hirachand, elder sister Kunkubai and cousin Raoji Sakharam in particular were renowned for their devout religious and spiritual disposition, and were very highly respected in the Digambar Jain Community of Maharashtra. The work which all three of them performed for the cultural uplift of the Digambar Jain community of Maharashtra, is valuable and unforgettable Walchand's wife Kasturbai, too, is as conspicuously devout as her father-in-law, sister-in-law and brother-in-law. Even though she may not have studied religion or written of it as those three did, she frequently gave generous financial assistance to her community's religious and educational uplift She took a sincere interest in those religious and social matters which did not interest her husband Walchand never objected to this disposition of his wife's. If anyone came to him asking for help for some religious or Jain community work, he would tell him, "Go downstairs This is my lady wife's department She will think about your request My mind does not think about religion , always and all the time it's thinking about stones and bricks and mortar I have a head for business, not for religion " Such blunt speech was responsible for spreading the notion that Walchand lacked a religious mind or a charitable disposition This was not quite accurate On the subjects of religion and charity his thinking differed from conventional thinking

Charity, Walchand felt, must change its shape to match the country's changing requirements. The need today, he thought, was not for more new places of worship, hermitages, bathing-places, pilgrim shelters, rooms for sacrifice and dining-halls, but for more and more new places of learning, factories, mills, all sorts of experimental laboratories, machinery shelters, rooms for engineering and halls of science; and the stream of his country's wealth must be diverted to the establishing of these latter things As he saw it,

1 "I do not take any interest in Jain matters If approached by the Jains I have always refused to be interested Under these circumstances, I am afraid, I have no justification nor *locus standi* to approach the Jains I do not even know whom to approach '
—Bombay, March 28, 1940

the power of wealth was enormous, and must be mainly used to achieve the all-round development, along with individuals, of the entire social framework—that is, the nation First, we think of worldly matters, then of altruism; our own uplift comes earlier, that of others later; "first board, then the Lord"; those folk who fuss about helping other before they've properly finished the country's business, are usually deterimental to the country as well as to themselves; the country of such people is reduced to everlasting poverty This is how he looked at things, with the natural result that traditional ideas about charity and religion made no appeal to his rational and practical mind

Walchand's individual contribution to public causes is mostly of a secret nature Never would he allow his own name to be mentioned. Yet the figure of his gifts from Walchand & Co, as well as his other companies, to various movements for the national good, at many a critical juncture, would run into several lakhs We find him helping with a free hand all movements which he thought would make for the destruction of British supremacy in India and the strengthening of his compatriots To the Quit India movement of 1942, and those who conducted it, he gave considerable financial aid, both direct and indirect The present writer has met many persons who could testify to the help which he gave to the families of patriots who had gone underground. Gandhiji, Sardar Patel, and Nehru certainly received frequent monetary help from him, as from other capitalists, for their national activities When the country was hit by famine, flood, earthquake, conflagration and similar disasters, contributions would come from him along with other princes of charity

Yet he derived the keenest satisfaction of all from spending his wealth for industrial training In order to provide the mechanics, technologists, chemists and engineers needed for the basic industries which he cherished the ambition of starting in his country, he sent abroad many promising youngsters from his companies at his own cost, and gave them an opportunity of acquiring new knowledge and getting an instructive look at industrial countries The benefit of this was reaped no less by the country than by his companies And many a time he would say, "Even though I cannot boast of anything else exclusive, at least I can particularly boast of giving young men training in mechanics and industry, and making them available to the country." One will find numbers of men working in many factories in India today, who were brought up in Walchand's

factories and got their training, both abroad and in India, through his assistance.

Those able-bodied fellows who passed their lives doing no work at all, but collected alms and gifts in the name of religion, or who gathered funds for their support by taking advantage of others' compassion, aroused his contempt. To such persons he refused to give anything at all. As he saw it, the number of beggars in this land should go right down, while the number of those who led a self-respecting life in the sweat of their brows should go up and up, and every Indian must feel,

"Shameful the soul,
That lives by beggar's bowl."

A poet has written:

"Through travel, to the Councils of the Wise we entry find,
And scanning noble books confers much wisdom on the mind"

A look at Walchand's life makes us agree with these words of his He saw much travel; in his youth, to holy places with his father, and in his maturity, for the purpose of business Before 1919 he had been from Kashmir to Colombo and from Karachi to Rangoon; and before the end of his life he had been travelling over almost the whole world. He was fond of it, too And since his wife Kasturbai was also fond of it, they made a good pair Kasturbai used to be with him on practically all his travels.

Walchand's travels, of course, whether at home or abroad, were primarily on business. In spite of this, his inquisitive and adventurous mind, with its love of the novel, the strange and the uncommon, would make him put aside for a while the everlasting thoughts upon business, and lead him to wander freely through new atmospheres, new neighbourhoods. Then he would forget his age and lofty rank, he would begin to roam here and there in complete oblivion.

Walchand had two especial loves—reading and voyages—both without limit. That he remembered the poet's words about 'much wisdom" conferred on the mind by "travel" and "scanning books", and so deliberately adopted these two loves for his own good, is not the case. The two loves naturally attached themselves to him because of his peculiar disposition

Men of learning tell us that travel and book-reading broaden the mind, encourage the flow of ideas, provide a generous teaching

There is much truth in this Walchand must have had such experience too. Although with him, travel or reading was principally for assisting his business or acquiring knowledge, yet often they would push business interests and knowledge-getting aside for a moment, set his mind free in forgetfulness of those, and arise to delight and enthuse it At times he would court danger and difficulties—call it by way of experiment, or call it the itch for hair-raising experience —and engage in the sort of journey that no one else would ever engage in One example of this is his 23-day 2,400 mile journey by car, from Calcutta to Bombay, in November-December 1921. This illustrates the hardy disposition, as well as the enquiring turn of mind, that were in him Of this daring and hair-raising journey he himself wrote a description, and published it with illustrations in *The Indian Motorist* (February 1922), a journal published in Bombay at that time on behalf of the Tata Publicity Company

To join this motor trip, Walchand had invited nearly twenty parties, some personally, some by letter Of these, some declined on the excuse of lack of time, others observing that the whole affair was unpractical and crazy One friend alone consented; this was the Bombay solicitor Krishnarao Harischandra Goregaonkar

Walchand started this trip with three cars—two Maxwells and a Willys Knight Besides taking with them plenty of food and clothing to protect them from the cold, Solicitor Goregaonkar had taken the precaution to keep a gun, a revolver and bullets with him, to give protection from thieves, dacoits and wild beasts Besides his gun, he had not forgotten to sling two Kodak cameras from his shoulders With these grand preparations, Walchand. Kasturbai, Goregaonkar and six servants—nine persons in all—rose at the crack of dawn on November 20, and left Calcutta on this daring trip. On the way they faced all the obstacles and difficulties of rivers which barred their path, like the Son and the Narmada, of every now and then dense jungles infested with wild beasts, of narrow tracks and steep mountain roads, and completed this journey according to plan within the allotted period

This long trip of twenty-three days, one would think, should have been dull and wearisome; but Walchand did not allow it to be so. His free and jolly nature used to cheer up the spirits of his fellow travellers He had a very rich store of many kinds of amusing stories and recollections, droll descriptions of the people of different lands and their manners and customs, spicy and amazing tales of astonishing places, things and events in various lands.

These wonder tales and recollections he would bring out one by one, and begin to tell them in such a smart style, that all his fellow travellers, as they listened to them, utterly forgot the irksomeness of the journey. On such occasions his naturally merry and jolly nature would emerge ; the stories would begin to delight, and those who heard them would be delighted too Since he made no distinction between great and small, he would mix freely and pleasantly with all Before setting out on a journey, he would collect detailed information, from maps, place-descriptions, road guides, etc, about the area which it would traverse, and make a systematic time-table He secured his companions' comfort like his own, and carefully arranged it so that they should have leisure, as each desired, to see interesting places

Wherever they were to halt, advance notice would have been sent to the manager of the local hotel or dak bungalow If it was to be a hotel, he would have special accommodation arranged in a hotel of the highest class available. He being a strict vegetarian, even a list would be sent of what things should be supplied for his table This would especially mention curds and buttermilk At times he would have to shelter at a railway hotel or a European style hotel Here, as he knew, a vegetarian diet includes eggs, and excludes curds and buttermilk ; clear instructions would therefore be kept that eggs must not be used in any dish whatever, and that curds and buttermilk must definitely be provided ; a request was also made for kindly noting that, although not orthodox, he did not eat white ovals (eggs), aqueous vegetables (fish) or four-hoofed things (goat). And good arrangements would accordingly be made at such places Sometimes at some places, European friends would insist on his coming to dine with them, and he would have to take dinner with them These friends also, in consideration of his food scruples, would get their cook to prepare clean pure food for him

Solicitor Goregaonkar, who took part in this journey, was amazed to see all these arrangements made with such dread of displeasing Walchand. And when Walchand's friends, who had turned down his invitation on one pretext or another, heard the colourful descriptions of this journey from the legal lips, they clicked their tongues and cried, "What great fun you had, man ! We see what fools we were, to lose the chance of a few days' fun, just through being afraid for nothing."

What Walchand saw and experienced on this journey proved extremely useful to him at a later stage, when he was

thinking with a view to solving the country's transport problems It would probably be correct to say that it was this journey which inspired him to think about the country's urgent transport needs.

Walchand had travelled by all the three routes—land, sea and air; and they had brought him varied experience in varied countries In India he used to spend more than two-thirds of the year on tour, usually by car and train. He used to tell of spending twenty-five consecutive nights in one month in a train, in one year (1917). The train had almost become his home In those days, the regular air travel of today had not started If one had to go somewhere like Delhi, one had to spend twenty-six hours in the train Walchand used to travel to such far places in a special reserved coupé He would spend this time in reading, having taken along with him newspapers, various official reports, books on his favourite subjects These he would browse through at his leisure during the journey At this time he would minutely study the balance sheets of his own company and those with whom he was connected, and make notes and memoranda about them

Just as in India, Walchand had made train journeys in different countries of the world In his opinion, no trains in the world could show America's and Japan's swift speeds, their superb and extremely careful arrangements for meals, snacks and sleep, their skill in eliminating discomfort from dust and heat. One feature of Japan's railways greatly endeared them to him This was the swift speed they kept even with a narrow gauge. Inevitably he would think to himself, "Just look at our trains on the M S M or Dhond-Baramati lines, chug-chugging along at the speed of a bullock-cart, a standing joke to everybody, and then look at these Japanese trains whistling on their way as fast as an arrow!" And he would begin to feel dejected at the Indian railways' aversion from progress After seeing these Japanese railways, he had prepared a big scheme for resuscitating and expanding India's minor ports and linking them, as in Japan, with the interior through narrow-gauge lines He had even made preparations to try the first experiment under his plan by expanding the port of Bhatkal in Karwar District, with the assistance of the British and Mysore Government The Mysore Government was ready to help, but the British Government was as usual obstructive

Similarly to the Japanese trains, when he toured Norway in 1939, he was filled with admiration at seeing the trains running through the extensive mountainous regions of that country With

especial reference to the train running between Stockholm and Bergen, he would exclaim that it was "an unrivalled example of the engineer's art."

Walchand's foreign travels commenced after the Great War He travelled extensively in England, Europe, America and Japan He made twelve visits to England and Europe, two to America, and one to Japan; naturally he travelled by steamer and plane

Sea voyages he made in British, Italian, French, American and Japanese steamers. Of British steamers—especially the P & O. Company's—he held no good opinion. He particularly liked the steamers of the Italian Lloyd Triestino line This Line's *M V Vittoria,* with her size, her excellent cuisine providing various kinds of dishes, her cleanliness and neatness, her careful attention to the comfort and entertainment of her passengers, and the deferential service of her attendants, greatly pleased him. He took her as his ideal when, later, he built the *Jala-Azad* and the *Jala-Jawahar* for the Scindia Company. The *Jala-Jawahar* in particular may not unaptly be called a small version of the *Vittoria* This steamer won praise even from Westerners Building the *Jala-Jawahar* was the first milestone on the road to the fulfilment of his ambition, that Indians should have the facility of voyaging all over the world, in happiness and luxury, in their own ships

Walchand toured America in 1937 and 1939 In the earlier year he travelled by what was reckoned the world's finest ship, the French steamer *Normandie*; in the later year, by the ship ranking next to her, the British steamer *Queen Mary* Of the *Normandie* he writes. "The *Normandie,* the largest (82 thousand tons) most powerful, fastest (doing thirty knots an hour) and most beautiful ship in the whole world today, was built by France at a cost of about eleven crores of rupees. With her size, her beauty and her high-class appointments, this ship can rival a palace or the vast and spacious halls of a royal residence. She has accommodation for 2000 passengers, as well as a staff of some thirteen hundreds Her dining saloon is so arranged that 600 passengers can simultaneously dine, at quite small tables The dishes served, the men who serve them, etc, are nicely arranged. Besides a cinema theatre and a garden etc., there are telephone arrangements in each passenger's cabin. Marble has been used at many places in floors, doorways etc. The ship has twelve electric lifts, while her staircases, saloons, etc., are spacious, vast and beautiful on a royal scale There are arrangements for telephoning any place in the world from on board

The ship being about 1000 feet long, can cross the Atlantic smoothly, without rolling."[2]

As with the *Normandie*, while on his way to America by the *Queen Mary* in 1939, he described her in a letter written on board (August 6, 1939) to a friend of his at Osmanabad, Nemchand Gandhi, as follows:

"This ship has twelve decks It is 1050 feet long, 58 feet wide, and of 81,000 tons The big ships coming from Bombay to England are of twenty-one or twenty-two thousand tons The Scindia Company's large ships are of eight thousand tons This ship cost seven to eight crores of rupees They have begun to build one more ship just like it. It will be ready in eight months This ship has excellent accommodation for 700 first class, 700 second class, and 700 third class passengers To cope with these, and to run the ship, there are 1200 men—employees—on the ship For going up and down there are 21 lifts There are actually five lakhs of towels, pillow cases, sheets There are twenty thousand silver vessels Every day they serve food better than the food in a palace They bring us whatever and as much as we ask for However, the ticket is very costly My cabin is nicer and bigger than the room at the biggest hotel we stayed at in London, where we paid Rs 26 a day just for lodging (meals extra) The two of us soil 24/25 towels a day, and so does every first class passenger For washing, all these five lakh pieces or so go to the laundry every five days

"The speed of this ship is 30 knots—35 miles an hour For a very fast ship from Bombay to England it is 21 knots, for a regular ship it is 13/15 knots This ship of ours goes 800 miles every day There are all facilities and equipment It is possible to telephone to Sholapur or Bombay from mid-ocean Only it costs Rs 80/100 for three minutes Two days ago I spoke from London to Bombay. Six minutes cost Rs. 125/- There are shops on board. The book shop is certainly a big one Daily they show top-class films The saloons and their furnishings are really higher and better than those of a big palace

"The ship Gulabchand took to America last week, the French ship *Normandie,* is more striking and beautiful than this one It cost eleven crores of rupees to build We came by that ship two years ago to America from London

"Here (on board) they bring out a newspaper every morning and deliver it to our room News from all the world is given in

2 "Norway, America and Japan", First Instalment, *Sahyadri*, March 1938

brief. But one misses the peace and satisfaction at the *Kapila Spring* Everything is confusion and scurrying.

"On this ship there are five or six different decorated saloons. They are enormous One or two are actually as big as a Town Hall

"You will now ask me what they give a vegetarian to eat. So I tell you what there was today. Salted cashew nuts, almonds or olives are placed beside you. There are four or five kinds of bread For us they bring *puris* and *chupattis* There are three or four kinds of melon of the best and costliest. Juice of pineapple, tomato, and two or three other things to suit us, then soup is served —that is, a thick satisfying liquid from the essence of dal or vegetables. After that, they give different kinds of *bhajias*, rice of various kinds, non-pungent sauces, four or five kinds as we ask; macaroni (an Italian delicacy made from grain) Every day they serve five or six vegetables, raw or cooked. Along with them, seven or eight kinds of preserves If there's still room inside you, four or five kinds of pickles Then, whatever kind of fruit you want, with cream. Finally, ten sorts of cheese, followed by coffee Well enough to give you indigestion, isn't it? At present they are giving us besides, twice, the best curds Also at every meal there are four or five kinds of ice-cream With all this, they are constantly asking us, 'Would you like anything else? Anything different?' Your friend Hirachand Chilwadikar's father couldn't have tasted even one-tenth of these!"

Just as of French and British steamers, Walchand once had experience of Canadian steamers too Nothing aroused his admiration more than this steamship company's nationalist attitude In his travelogue "Norway, America and Japan", he writes.

"After leaving America's United States, we went to Canada From British Columbia, Victoria and Vancouver we set sail for Japan by the Canadian Pacific Steamship Company's *Empress of Canada* From Vancouver all sorts of vegetables were taken aboard, enough to last for two months! Their tendency being to use everything Canadian, as far as possible, not a single thing is bought in either Japan or China This by itself is not surprising, but their practice is not to buy anything even in Hongkong! We saw some fifty Chinese passengers on board, but not one Japanese. Japanese travellers go only by a Japanese ship The strength of national feeling is shown by these two examples. A big financier in New York told me that a vow of 'made in India' was the only way to get freedom for India. Even the attendants on board are if possible

from their own country."[3]

He travelled as widely by air, in various types of planes, as he did by sea. When in Europe, he used to prefer travelling by German planes During the years 1932-35 he went to Germany three times. On these occasions he travelled widely by German planes, not only in Germany itself, but also in France, Spain, Italy and times. On these occasions he travelled widely by German planes, He became especially attached to these planes on account of their facilities for hearing music and viewing films, their care to supply information to the passengers about any region that was being overflown, their arrangements for handing out bits of news also from time to time, and most of all, the courteous and attentive treatment of the passengers by the attendants The contempt for Britishers' rude and high-handedly overbearing character, which had taken up permanent residence in his breast, left him with no desire to set foot either in their steamers or their aeroplanes If he was ever obliged to travel in one of these, he would do it in the most expensive craft available, regardless of cost his object being that no stiff, high-handed Britisher should dare to humiliate him Whether in India or in the outside world, he would never bow to the arrogance of the Britishers or their brothers of the white skin. In their society he would invariably keep a stiff neck and maintain his own dignity

On going to America, he originally determined not to travel by air there , yet in the end, in order to avoid the time consumed and trouble involved in changing trains again and again on a long journey, he had to make the trip of close on two thousand miles from Chicago to Los Angeles, and thence to San Francisco, by air In 1939, the Second World War having broken out, he felt it unsafe to return to India by steamer, and therefore had to make the trip from America to India by plane He reached Hongkong from San Francisco in a plane of supreme beauty, comfort and speed, the China Clipper ; there he changed planes from Bangkok, from whence another change brought him to Calcutta by an Imperial Air Services plane This was the first time in his life that he had made such a prolonged trip by air It was during this flight that he became inspired with the idea of building aircraft in India and using them for air transport.

In this world travel, Walchand got an opportunity of directly observing the transport media in Western countries and their steady

3 "Norway, America and Japan", Second Instalment. *Sahyadri*, April 1938

improvement; this gave him a fresh insight, together with a powerful inspiration for solving the problem of transport, which was very close indeed to his heart from the viewpoint of the country's economic uplift. In all the countries that he toured in the Asian, European and American region, he employed practically all media of transport, both old and new, and never lost a single opportunity of closely examining them. As a result, he could easily get to know the peculiar features in the different kinds of transport media of different countries, from a comparative angle, and employ them in one or other of his new industries.

When Walchand found a little respite from business affairs during his travels, he would visit interesting places, industries worth being examined, individuals and associations worth knowing He would arrange these programmes himself, after first collecting proper information He would not leave them entirely to companies doing the business of guiding travellers, such as Thomas Cook or the American Express Company He would take their help, but not place himself in their hands He would strictly warn them to make arrangements precisely according to the programme which he had decided "Your fixed cast-iron programme", he would plainly tell them, "is no use to me"; and he would take their help only where, and to the extent to which, he needed it.

During his frequent journeys in India, Ceylon and Burma so far as leisure permitted, he had visited all the historic, religious industrial and scenic centres. In Europe and America he had seen many famous spots, and had even stayed at some places, as opportunity offered, for a change of air Due to the constant burden on him of business affairs, he did not succeed in travelling abroad in much ease and freedom In 1937 however, choosing travel for its own sake, he spent three months touring Norway, America Canada and Japan In this time he completed a journey of thirty-two thousand miles—even more than the circuit of the globe. Afterwards, he wrote and published some interesting notes about this journey. A reading of these notes not only makes one realize his keen powers of observation, as well as his processes of comparative thinking, but also throws light on the peculiar facets of his personality. We therefore give here some selected passages from them In these notes[4] Walchand writes:

"I and the wife went to England last April 1937 My better

4 These notes have been published in the March and April (1938) issues of the *Sahyadri* magazine, under the title of "Norway, America and Japan"

half wanted to see once how the sun is visible at midnight, and so on June 16 we set out for North Cape in the north of Norway. Since like us, thousands of people from other countries go to the north of Norway every year, to see this wonderful spectacle of Nature, a Norwegian steamship company has built a ship specially for these travellers, fitted out with modern comforts and conveniences This is employed on the North Cape run for three months in the year. It has accommodation for two hundred passengers, first class only.

"On June 20, 21 and 22 we got an excellent view of the sun at around midnight The sun was plainly visible, as far above the horizon as it appears in Bombay in June-July, on a clear evening on the Worli side, about half past four or five o'clock. He began to climb at once, and half an hour later, he was looking like the sun in Bombay at about 8 to 9 a m On all three days the London *Times* and the *Kesari* could be easily read at night without a light

"Among the ship's two hundred first-class passengers were 160 Americans, part of the two thousand Americans who had come for the international Rotarians conference to be held in France. Many times cloud or for prevents the midnight sun from being seen during the whole expedition. So whenever the sun is fortunately seen, guns are fired from the ship, and there is dancing, singing, music and so on. The cold was nothing to mention, and although it was summer there, snow was everywhere. In fact, twice we went and stood on a heap of snow Norway's general standards of living are high and advanced; all the small villages have electricity, telephone, radio and so on Everything is excessively clean, the people like to wear smart clothes, eatables are good and clean and not too costly. From North Cape we came to Norway's capital Oslo, from whence we afterwards went to Berlin

"The conference of the International Chamber of Commerce was to take place this year in Berlin Ten or twelve of us went on behalf of India. The International Chamber of Commerce is the central commercial body of all nations Its sessions are held every two years in large commercially and industrially important cities of different countries. The two previous sessions had been held at Vienna and Paris, in that order, and on both occasions I was able to attend. Other countries attach great importance to these sessions In those countries where a session is to take place, a grand welcome is extended to the guests attending the conference, in the name of the Government of that place The session opens with a special

speech by some official like the Prime Minister of that country. He and the other Ministers give dinners to the guests. This year, Berlin must certainly be said to have outdone the others in the honour it paid to its guests. In fact, at the same time they also made propaganda for their thesis that Germany herself particularly needed countries to supply her with raw materials, and her former colonies. There was an opportunity to meet the Presidents of Austria, Germany and France Since however nobody knew English, no conversations were possible The business of the conference lasted five to six days in all A speech was delivered at the principal open session on behalf of India, on the subject of economic self-sufficiency."

On the conclusion of the Berlin session he went to America He spent some days in New York and Washington, where he saw those sky-scrapers of sixty and a hundred floors, and huge bridges The Empire State Building certainly left him speechless On seeing this 1248-feet building with its 102 floors, he obtained an idea of the enormous advance of American civil engineering While he was in Washington, he saw a Zeppelin which the Goodyear Tyre Company kept cruising round the city in order to advertise their rubber car tyres, and was full of admiration for the Company's ingenuity He felt a desire to ride in this aircraft for one circuit, and see what the city looked like After informing the Company accordingly, he and his wife took some rounds in the Zeppelin and got a view of the city.

From Washington he returned to New York, and thence went to see the Niagara Falls He writes in his notes·

"The spectacle of the Niagara Falls is absolutely unique What must be particularly mentioned is that, in order that spectators should get full information about them, and be able to see their incomparable beauty from all sides, so many conveniences and facilities of all sorts are provided, that the spectator is momentarily stunned We saw the Falls from an aeroplane, from a cradle on a wire, and from a boat! They bring the boat right up to where the cataract is falling—about ten to fifteen yards away! Besides this in three different places, viewing tunnels have been driven, and we saw it from these too. Everywhere information is made available to those who come to see the Falls. By generating electricity from the water, the Falls serve to supply this to very large factories at an extremely low rate For miles around the Falls there are gardens full of flowers."

After viewing the Niagara Falls, Walchand went to see America's huge centre of trade and industry, Chicago Thence he went to Colorado Springs, to see the world's highest motor road at 14,000 feet. After seeing this, he made an air trip to see the Boulder Dam a thousand miles away. Its size and hugeness struck him dumb with amazement He writes:

"This Dam will have to be called the Eighth Wonder of the world! This embankment or dam, the highest in the world, impounds a vast body of water—by damming the Colorado River—to form a lake known as 'Mead'. It is the largest artificial lake on earth, with the greatest length and breadth of 115 and 8 miles respectively The height of the Boulder Dam is four times that of Niagara, and the artificial lake covers an area of 227 square miles It is so huge and vast, that the mind reels in amazement and admiration of the men who built it This huge Boulder Dam can be visited by railway or an excellent road from the minor city of Las Vegas in Nevada State, lying to the south-west of Salt Lake City on the Union Pacific Railway's main line The electric power-house built at this place is the largest in the world It generates 18 lakhs horse-power of electricity. This dam is 730 feet high and 660 feet broad at the base; on top it is 1,180 feet long and 45 feet wide Cars easily pass to and fro along the top of the dam

"In building the Boulder Dam, the principal object was to prevent the damage caused by floods in the Colorado River to farm-lands in the States of Arizona, Nevada, California, etc. In addition to accomplishing this object, the fields will begin to get canal water and show improvement It will be possible to bring lakhs of new acres under the plough A water supply will be available for the use of ever so many towns in southern California, with a population of one crore Thanks to this dam, canal water will reach about 21 lakhs acres of land Such are the different benefits that will accrue from this huge project of the Boulder Dam

"To complete the building of this dam took five years The Boulder Dam is one of the vast schemes of public utility taken up by the American Government This scheme was sanctioned by America's President Hoover in 1929, and the work of building the dam actually commenced in 1931 This embankment is also called the Hoover Dam To have undertaken this scheme and been able to complete it, right in a time of depression, is remarkable. From the above selection of facts, it will be appreciated on how great a scale this scheme benefited the peasantry By way of contrast,

what is our Government of India doing? Once the mind receives this thought, the mind is saddened. For the Government of India also to take up works of public utility, and manage to do them in a period of depression, was not impossible

"America in general is from all points a prosperous land. In the first place, all types of natural wealth—mineral, vegetable animal—occur in abundance; while the people too, by prodigious industry, equipping the public with modern research and scientific knowledge, and utilizing all these things, have made the country's living standard excellent, full of comforts and conveniences, and the highest in the whole world. India has the advantage of all the foregoing natural wealth, she has manpower, she has a great and growing market And yet, without freedom the country will not become prosperous, and to win this, the people certainly require unity."

After seeing the Boulder Dam, he went to see Los Angeles and Hollywood Walchand being himself a film fan was eager to see the film world of Hollywood, which is reckoned the best and most wonderful in the world When he had gone to Berlin in 1932, he had paid a visit to the world-famous UFA studio, held long talks with the managers and directors on the subject of the cinema and acquired a lot of information. He had attended the shooting of one or two films After seeing films directed by Lang and Murnau[5] he had formed the opinion that no one in the world could hold a candle to the German artistes in the matter of the technique and art of the film. This naturally made him wishful to go to Hollywood and examine its film industry by way of comparison He had written in advance to the managers of the Twentieth Century Fox studio and fixed a definite date for a visit The day on which he went to see the studio was a Saturday, on which day the shooting of some important films was going on He watched this with the keenest enjoyment and a mind full of curiosity

In every studio in Hollywood there are arrangements for making five or six big films at one time There are eight studios so fitted out there, and on each of these roughly 25 crores of rupees have been spent He found these studios equipped with modern scientific means and conveniences The sight made him begin to feel keenly that India ought to have at least one studio like that After his

5 Walchand considered Lang's 'Metropolis' (1925), 'Dr Mabuse' (1933), 'Fury (1936) and 'You Live Only Once' (1937) and Murnau's 'The Last Laugh' (1924) and 'Faust' (1926) to be the last word in film artistry

talks with the managers of Twentieth Century Fox, he even prepared a big scheme on these lines. On return to India he called one director of the Prabhat Film Company, V Shantaram, and placed it before him. He was also ready to take the responsibility of putting up the capital necessary for carrying it into effect Shantaram liked Walchand's scheme ; his other colleagues however, for whatever reason it might have been, lacked the courage to adopt Walchand's scheme and grasp the proffered hand of co-operation. If at that time the Prabhat Company had thought big, and nourished the ambition to act big, and had accepted the help of a man like Walchand with the vast creative force that spends itself in gigantic effort, it would not have become just a part of history, but we should have seen it making really proud and astonishing history in the world of celluloid

From Hollywood Walchand went to the city of San Francisco in the north of America's Pacific coast This is the oldest city along this coast, and the discovery of gold mines in its neighbourhood had greatly swollen its importance With a mixed population, it is multi-lingual like Bombay City The architecture and gardens of this city and its environs especially took Walchand's fancy He writes :

"In 1906 this city was devastated by earthquake and destroyed by fire Today's city is of new construction and shows many buildings of twenty to twenty-five floors Two great new bridges—the Golden Gate and the San Francisco-Oakland—have recently been built and completed in the midst of the depression Of these, the San Francisco-Oakland is eight and a quarter miles in length and cost about 8 75 crores of dollars, i e 22 crores of rupees This bridge was opened to traffic on 22 November 1936 The bridge's height is 200 feet, and 1077 big lamps are placed for giving light at intervals of every hundred and fifty feet Along this road traffic proceeds in bright light, even at night Between San Francisco and Oakland is an island called Yerba Buena, where a tunnel has been dug 550 feet long, 76 feet wide and 58 feet high , the road coming from the direction of San Francisco is taken through this

"There is one bridge from San Francisco to Yerba Buena Island, and from there another on to Oakland, constituting between them a bridge of eight and a quarter miles The road connecting them both passes through the Yerba Island tunnel The two bridges—the San Francisco to Yerba Island over the western portion of San Francisco Bay, and the Yerba Island to Oakland over the eastern

portion, are of different architectural styles The other bridge near San Francisco, namely the Golden Gate Bridge, is today the suspension bridge with the largest and highest single span in the world—4200 feet in length! It is so big that the world's largest ships of commerce or war can pass beneath its span The building of this bridge consumed one lakh tons of steel, and thick steel cables to a weight of twenty thousand tons and a length of eighty thousand miles, which, if split up into their separate thin wires, would go three times round the Earth!

"Of about one hundred fine gardens around San Francisco, the biggest and finest is the one known to fame as the 'Golden Gate Park', which covers 1,013 acres of ground In this region there is extensive fruit cultivation on a very large scale, and on an up-to-date system. According to my knowledge, the largest vineyard in India is the Godrej vineyard at Nasik, which is of 60 acres In California we came across vineyards of five thousand acres and walnut orchards of thousand of acres Although cultivation with the help of machinery on this vast scale has been made possible in America chiefly because it is a new country, it is the local people's scientific and modern outlook which has naturally made their work easy in every particular In fact, through a system of making agricultural and horticultural produce on a large scale, the produce also in a way can be made good and cheap."

While in America, Walchand travelled 3,500 miles by air, 1,500 miles by rail and 1,500 miles by road, in twenty-five days

On the completion of his tour of America's United States Walchand went to Canada He visited the cities of Victoria and Vancouver in British Columbia Finding nothing particularly worth seeing there, he left Vancouver for Japan, with a brief stop en route at the capital of the Hawaiian Island, Honolulu The Hawaiian Islands being famous for their unrivalled natural beauty, eager visitors go there from all parts of the world Honolulu is also a big port, where large steamers call on their way to Japan Sugar-cane and pineapples being grown there on a very big scale, factories have sprung up there for making sugar and for canning pineapple slices, as well as bottling pineapple juice. Walchand spent a good deal of time seeing these factories He writes:

"After leaving Vancouver, we made a sea voyage of 2,419 miles and reached Honolulu At the 'pier', the municipal band struck up and began to play music, which naturally relieved the tedium of the journey Here there are some shops of Sindhis from Shikarpur

selling silks, art goods, etc., which we found in a flourishing condition. Honolulu comprises four small islands with a total area of 6400 square miles and a population of three and a half lakhs. Every year some ten lakhs tons of sugar is manufactured here With a population of thirty-five crores, and the greatest area under sugar-cane in the world, we in India today are producing no more than approximately this same amount of sugar Of the whole Indian sugar-cane crop, at the most 20% of the cane goes for sugar today This one sugar industry gives employment to half the population of Honolulu, and even in the thick of the depression period it did not appear to be affected. The rates of labour here are also high.

"The second great industry here is selling canned and bottled and otherwise packed fruit slices and juice It is learned that 35,000 acres of land here are under pineapple, in the ownership of a single individual. In one factory belonging to this man, about thirty lakhs of jars and tins are filled daily with pineapple slices or juice. This merchandise is afterwards sold all over the world. This factory employs a total of seven to eight thousand workers of whom four to five thousand are women About 40% of the inhabitants of these islands are Japanese The factory is extremely clean and well ordered, and fifteen to sixteen men are appointed to show it to the visitors who come to see it Some six to seven crores of rupees are invested in this factory

"The third occupation of the people of these islands is hotels and making arrangements for the tourists etc who come here In Switzerland too, the people have picked up this very industry, due to the tourists who arrive from many countries. In order that people should come from everywhere to see these islands and spend their money here, information about these islands is given and publicized all over the world It is only India where our Railway Enquiry Committee expresses the view that there is no need for any publicity to make more and more people come from everywhere to see this land Amazing, is it not?"

After seeing the Honolulu islands, Walchand made a voyage of 3379 miles and reached the Japanese city of Yokohama In Japan he stayed for three weeks He writes

"Here there are numbers of Sindhi merchants' shops principally exporting silk cloth There is an Indian Club, where Indians gather in the evening From here we afterwards went to Japan's capital, Tokyo. Between Yokohama and Tokyo there is an excellent road of some twenty miles, and fares by road and rail are very

low. Rows of buildings on both sides of the road give the impression that these two cities are not separate, but one. We put up at the Imperial Hotel.

"After seeing Nara (the ancient capital of Japan), Kyoto, Osaka, Kobe and other cities, we took ship for Shanghai Osaka, Japan's industrial centre, is near to Kobe Buildings line both sides of the road between them. Takarazan, the famous opera-house, lies between the two cities.

"Great daily newspapers are published from Osaka and Tokyo, having ten or fifteen lakhs of copies Kobe is Japan's big port for exports and imports With universal education in Japan, everybody can read and write With a great increase of industry in Japan, the number of those depending on agriculture for a living does not exceed 50% of the population Not only has Japan got factories for cloth (cotton, woollen, silk, etc) and building and repairing large ships, private and Government factories for munitions as well as steel, cement, etc, but there are large and small factories scattered all over the place for making everything needed for everyday affairs. Certainly in the last few years Japan, by selling her goods under open competition in all the world's markets, has become a sort of terror to industrially advanced countries One finds Japan's living standards on the whole even cheaper than India's, not expensive like Europe and America"

On completing his tour of Japan, Walchand returned to Bombay via Shanghai, Hongkong, Singapore and Colombo, at the end of September 1937

Walchand had seen practically all the countries of Europe He had not however seen Denmark He got his chance to travel there, through being required to attend the session of the International Chamber of Commerce in its capital Copenhagen, as a delegate in 1939 He published a small article about this journey in the *Sahyadri* magazine (July 1940) and has told the story of it as follows.

"Denmark is a country in Central Europe with an area of 16½ thousand square miles. It will come to a little more than half the size of our State of Gwalior (26382 sq miles) or Mysore (29528 sq miles). The country is densely inhabited, the total population being 35 lakhs Copenhagen, being the capital, has a population of over six lakhs This year, the tenth session of the International Chamber of Commerce was held there. Denmark being a small country, and the time for preparation having been short, people were naturally

watching to see how all the arrangements of the whole session would be made Because Vienna in 1933 and Paris in 1935 had made flawless arrangements for the session And in 1937 of course, Berlin had outshone Paris at the ninth biennial session My experience of all these three sessions was fresh However, Copenhagen arranged it all most excellently. The session was attended by the representatives of about forty countries.

"Besides myself, ten gentlemen from India were to attend the session as representatives; however, owing to the uncertainty of the political situation in Europe, only five persons attended—Fakirji Cawasji from Karachi, A K Chettiar of Rangoon, Sudarshanam Mudho of Coimbatore, D S Erulkar from London (Manager of Scindia Steamship Ltd.) and myself By now I have been going to these sessions for eight years

"To go to Copenhagen from London, one has to cross the North Sea, which tends to be a troublesome voyage One can also go through Germany via Hamburg However, owing to the political climate and situation having become uncertain, many people thought it would be convenient to avoid going through Germany I went from London by a Dutch K L M Plane, which took four hours and a half; the other route takes 35-36 hours

"This session was attended by Denmark's King, Crown Prince and the King's daughter-in-law He gave a ceremonial feast to all at his palace some twenty-five miles from Copenhagen I talked to him for a long time When I suggested he should visit India, he said that on account of age he would not be able now to stand the discomfort of the passage through the Red Sea, and that he was afraid of travelling by air

"The then President of the Austrian Republic and the President of France did not know English, and so I could not get the benefit of talking to them Herr Hitler had invited a few odd people to Berlin for tea At this period (in 1937) Herr Hitler was speaking freely. But since he did not know English and spoke in German, and as I did not know German, I could not follow his speech In Copenhagen on the contrary, many people knew English, and so no difficulty was felt

"In attending the merchants' international conference held every two years, our chief object was to prevent the British from parading themselves or speaking as representatives of India.

"The retiring Chairman Thomas Watson proposed the main resolution at the session. The purport of this was that Great

Britain, France, Italy, Germany, Japan and the American United States should consider all points and circumstances, and frame a scheme which would be fair to everybody. In other words, this meant that the reins should be placed in the hands of the five powers (other than America) which were responsible for the present situation. To such a resolution, of course, India could not agree; despite considerable pressure, India withheld her vote The other nations passed this resolution by a majority.

"Denmark is a land engaged in agriculture and the business of rich milk and butter, with no other industries to speak of. However, it has the world's largest and most famous company manufacturing cement machinery, with factories and branches all over the world It also has the world's largest company building high-class motor-boats India too used to build ships at one time, but there is no need to say how things are today, without freedom or the political support which accompanies it 23% of the coastal transport (and that too, only of goods) and in the open sea a bare 2% of transport —that is all that Indian companies can claim today! A country like India, with a coastline of more than 4000 miles, should have its own commercial transport ships, as well as its own naval ships Not only this, but she also needs factories fitted with modern machinery for repairing and building them Today, in spite of adverse circumstances, we can at least claim—for whatever it may be worth—that we are making some little attempts

"While returning from Denmark to England, we came by Danish ship Such a small country, and yet with her own ships for going to foreign countries! On the way I met a Danish gentleman who has his own shipping company. I said to him, 'Now the British Parliament is going to give about forty crores of rupees to British shipping companies; what will happen to you then?' He replied, 'It doesn't worry us We can compete with the British at any time' By contrast, our India is open to the ships of America, Italy, etc — any country whatever; whereas it's only ships owned by Indian companies which feel the pinch Even with things like this, the Government of India is not prepared to lift a finger!

"The Danish countryside appeared to us more or less like Great Britain; no hills visible anywhere We saw a good deal of the country. Such farming as we saw was of just ordinary quality"

In the course of his travels in many lands, Walchand came in contact with many important individuals in various fields A large number of these have already been mentioned elsewhere as occasion

arose. Here it will be fitting to mention some of those not mentioned so far. When Walchand went to Vienna in 1934, he had an interview with the President of the Austrian Republic and the then Chancellor Dollfuss, a few days before the latter was murdered by Nazi bullets on July 25

The invitation for him to take tea with Hitler in 1937 has already been mentioned. In the same week, Field Marshall Goering invited him to his house for dinner The famed "financial wizard" and then Finance Minister of Germany, Dr Schacht, was present on this occasion Walchand conferred with him and Goering for many hours What they said to each other during this conference, there is no means of knowing There exists a probability that the talk proceeded on the lines that some attempts should be made to see whether, with the help of an industrial country like Germany, the road to India's industrial expansion, deliberately blocked by the British, could possibly be opened up at least to some slight extent The worldly-wise Walchand knew the adage that "to avoid disaster, one must adopt any friend one can, and drop any friend one must", and on this basis it was quite natural for him to try to forge commercial links with Germany However, this is all pure conjecture

As with personages in Europe, in Britain also, thanks to his industrial and business contacts, Walchand created ties of friendship with her leading businessmen, ship-builders, merchants, economists, lawyers, high Government officials, Members of Parliament, and other persons Many of these, whenever he visited Britain, he would invite to tea or dinner, to a play or to see the opera, and strengthen the acquaintance he had formed with them In his quiet hours with these people, he casually picked up information about many matters and undercurrents of industry, he also made fresh additions to his store of knowledge

Travel, as Walchand recognized, is an outstanding means for a man to make himself in the true sense cultured, educated and well-informed Of this means he took splendid advantage, along with his own personal development, for the development of his varied industries also

Walchand's great love of travel was equalled by his great love of reading. Great thinkers tell us that it is books which are our true teachers, friends, counsellors, and guides, and Walchand agreed with them. Our school and college teachers give us our initial

introduction to knowledge, but full familiarity with it is only to be achieved by a man's own exertions in his subsequent life For achieving this, no other means are found so efficacious as books.

No matter what profession a man may have chosen in his life, if he wishes to make steady progress and become successful in it. he must constantly be acquiring knowledge to nourish and stimulate it. Since the nature of knowledge is to unfold, it moves in ever-widening orbits. The man who feels that his sphere of business—let its form be what it will—should go on broadening, must take the support of knowledge germane to it and showing an unbroken expansion, and always go on expanding his own knowledge. The present age is an age of technology rooted in science Henceforth, mere stocks of old accumulated knowledge will not ensure survival More and more new discoveries are always taking place , more and more, in each industry, its type of technique and its power are being progressively changed. He who ignores these changes and persists in following the well-worn ruts, finds it utterly impossible to make his business grow Today, fierce competition has broken out on all sides. To meet this successfully, one has to go on increasing one's powers by filling oneself with new knowledge and new technique Recognizing this, Walchand paid unceasing court to knowledge of the subject of Industry

While travelling in Western countries, Walchand had noticed for himself how the people there had enriched and were still enriching their lives by the power of scientific research His mind was imbued with the clear thought that, if it was felt that his countrymen's lives should be similarly enriched, resort must be had to scientific research and knowledge of mechanics

The economic growth of any country depends on increasing its productive industries If these go on increasing, so that their output goes on increasing, then the country's economic strength goes on increasing more and more If the economic strength goes on increasing, then the country's all-round capacity increases If the capacity increases, it becomes possible to win freedom and preserve it. For this purpose, India's men of business must positively adopt modern technology, start new productive industries, and practise increasing their output ; this is what Walchand earnestly preached and himself practised.

Conducting industries by resorting to modern technology raises the problem of acquiring new scientific knowledge. It is positively essential that the owner himself, no less than his managers and

heads of departments, should be in touch with this knowledge The job cannot be done by merely keeping expert technologists on the pay-roll; the owner or director must plan the scheme of his own industry on scientific lines, and possess the knack of getting those people to put it into effect, he must possess up-to-date knowledge of that industry's production methods He cannot content himself with simply putting up the capital, he must carefully supplement that with trained and skilled workers, engineers who know their job, and intelligent managers. Money and all this personnel together constitute the industry's capital Today's economists have now come to concede as much. On the increase of this capital depends the increase of the industry and the technological progress which nourishes it. This means that, in this present age, it does not suffice for an industrialist to be a mere capitalist, he must further be educated, cultured, well-informed, possessed of all-round knowledge of his own industry, and filled with the skill to go on increasing it He must stay alert, and daily go on gathering knowledge of the world's economic and industrial fluctuations, of society's changed tastes and needs, of current political science and political affairs as they affect industrial and economic affairs Hence, without relying purely on his technical advisers, he must read widely

Walchand had been fond of studying books and reading newspapers from the very first, and the needs of business increased this fondness markedly He had made a collection of select books, prominent among which was literature concerning all those industries which he had promoted He was a member of the Petit Library and the Asiatic Society's Library, from which he was always ordering books and periodicals He was a connoisseur of Marathi plays and novels, as well as of Sanskrit drama and poetry, and accordingly these also had their quota among his private books He had read and watched with appreciation the plays of all Marathi playwrights from Anna Kirloskar and Deval to Kolhatkar, Khadilkar, Gadkari, Warerkar and P K. Atre Novels did not attract him so much as plays During the five years of War, however, when his favourite periodicals from America stopped coming, he bought and read the entire set of novels of all the leading novelists from Hari Narayan Apte to Warerkar, Phadke and Khandekar He read Indian and foreign newspapers and periodicals[6] more widely and regularly

6 The requisition slip which he sent to the Petit Library on January 8, 1946, regarding the weeklies and monthlies to be sent to him is calculated to give an idea of his reading and preferences In this slip he has mentioned the following periodicals ·

than books. It is especially worthy of mention that he used to read the two Marathi newspapers *Kesari* and *Sholapur Samachar* without fail. He would give strict orders that these papers must be sent to him even when he was out of India. Presumably he particularly wanted to read the *Kesari* because it was the paper of Tilak and Kelkar, and the *Sholapur Samachar* because it was from his birthplace.

The Times, London, was also one of his favourite dailies. In the morning, after coming back from his walk and bathing, he would sit to read the newspapers As he read, he would put marks against the items which he considered important. When he went to office in the afternoon, a bundle of these papers would go along with him A special clerk was assigned the task of cutting out the marked items, classifying them by subjects, and pasting them in scrap-books If he felt that any important item should be brought to the notice of his brothers or colleagues, a cutting of it would be circulated to them Often he would also request them to give him their reactions to it in writing To look at these scrap-books which Walchand compiled from newspaper items, gives an excellent idea of the number of varied subjects in which he took an interest

Walchand was an extremely rapid reader He could get through 100 pages of a Marathi book and 60 pages of an English book, in an hour The style of his reading, indeed, was such as to grasp the essence His grasping and retentive powers both being acute, if he was questioned—no matter how long after—about the essence of a book he had read, he could give a well-ordered reply

Although Walchand's reading was wide, it was usually for the purpose of acquiring information or for his own enjoyment He had no leisure for reading from the student's point of view Whenever he felt the need of any special detailed information about some subject he would invite someone who had made a special study of the subject to tea, to dinner, or for a walk, and would obtain his information through conversation Many a time he would call people versed in various subjects by special invitation to Matheran, Ravalgaon or Walchandnagar, at different times for different pur-

Weeklies *Aeroplane, Business Week, Economist, Engineer, Look, Publishers' Circular, Statist, Capital.*

Monthlies *Architectural Review, Magazine Digest, Reader's Digest, World Digest, World Review, Asia, Geographical Journal, Geographical Magazine, Asiatic Digest, Indian Reader's Digest, Industry, Ladies Home Journal*

Walchand himself subscribed to the following periodicals *Picture Post, Shipping World National Geographical Magazine*, *The Times*, London Besides these, most of the leading Indian weeklies and dailies—English, Marathi, Gujarati—used to come to him

poses or occasions And then in the peaceful and charming atmosphere of those places, he would naturally hold discussions with these people on his favourite subjects. In this, Walchand too would take his full share. Often his voice would monopolize the flow of talk, so that he became the speaker and his guests the audience Many persons whose acquaintance with him was slight, were surprized at Walchand's way of never saying more than was necessary in his regular dealings Seeing the Walchand of the Director's chair in his office, and the Walchand who often laughed and poked fun, joked and jested in playful mood at such meetings, not a few people were struck with amazement

"Walchand shows little respect to a gentleman who comes to call on him ; he does not even utter some sweet word of sympathy ; he shows no consideration at all for the feelings of a gentleman who has come to meet him, but bluntly expresses his own viewpoint and opinions and puts the stopper on any further talk ; often he speaks to a gentleman visitor with his eyes fixed on the ceiling, so that the other thinks in disgust, 'Why did I call upon him ?'" One could hear many rumours of this type about him If his visitor's business could be despatched by a plain Yes or No, Walchand would not utter one word beyond these If the would-be visitor's work could be done over the telephone, then a personal interview was out of the question Such behaviour created prejudice in many minds against him And yet, behaviour of this sort did not prevent many from loving him, from respecting him One of his fans, Pranlal Devkaran Nanjee, said in a speech at a meeting of merchants :

"Why is it then that we love that often embittering Mr Walchand ? What is the attraction in him ? It is the spirit of adventure in opening out new ways of trade and commerce It is his unique vision of developing trade and commerce in a true Swadeshi manner and in the interests of and for the prosperity of the country. It is his unshakable faith that the future prosperity of India can be secured only with truly Swadeshi trade and commerce without counting the cost It is his unparalleled method of achieving success for these ventures. In my opinion all these can be summed up in one word. Mr Walchand has the Creative Genius."

Pranlal's above judgment was not so far out And yet, the opinion held by some that Walchand was of an abrupt and inconsiderate disposition, was not altogether incorrect. His behaviour

depended on the place, the time, the business, the individual, and his own leisure or lack of it The great scope of his business left him with no spare time, unless he deliberately made it This obliged him to set a limit to his talking and doing When some people, lacking the intelligence to appreciate that he was a man absorbed in his work, and that every moment of his was precious, tried to see him about quite ordinary matters, he was often forced to treat them with calculated abruptness. If some man ignored his indirect hints, sat on and on, and began to spin a long tale, Walchand would say, "Put in writing whatever you have to say I've no time to sit and listen now", and wish him good-bye The rumours which arose about him were due purely to incidents of this kind. He would deal fully and sympathetically with all persons and matters which seemed to him important If he was given an idea of the subject to be discussed in advance, he would make up his mind definitely what to say Occasionally, if there was something very important, or some matter concerning business calling for rather delicate discussion he would discuss and deal with it by arranging a tea or a dinner at some place like the Taj Mahal Hotel.

D V Kelkar, who spent many years in Walchand's company writes · "Owing to the increasing scope of his business, his reading remained incomplete He was aware of this fact, but he used to make up the deficiency by talking with various gentlemen who had studied and read and thought for themselves, and in the course of conversation and action he would easily pick up knowledge of new subjects, and this was also possible for him He never missed a single occasion of conversing with men of all types Why, he would sometimes engineer opportunities with this in mind In 1929, during the pendency of a lengthy strike of the mill-hands in Bombay, he engineered one such opportunity by means of a dinner This job he entrusted to the present writer, who on that occasion invited some labour leaders on behalf of Mr Walchand and brought them to his residence. By means of the dinner, Mr Walchand got information directly from the labour leaders He came to understand their viewpoint, their line of thinking, and their objectives He recognized that new winds of thought had begun to blow Although not all the ways of the labour leaders were sound, yet there was an element of truth in their ideas, and gradually those in charge of industries would have to take certain steps of their own accord Apart from this, in the light of changing times it was fit and proper, in his view, that these should be taken All he asked was that while

taking them, it was useless to ignore the facts of place, time and circumstances; indeed, in his view it would not be right to follow the lead of developed and advanced countries "[7]

Walchand greatly enjoyed the society of learned, thoughtful and cultured persons with nimble powers of conversation. The well-known author, orator, humourist and master of spicy and elegant conversation, Prof Madhav Damodar Altekar, says in a memoir:

"Mr. Walchand greatly loved to see Marathi dramas, and I have often listened to his dissertations on Marathi drama. At times I have accompanied him to the cinema His courtesy and consideration were superb. I was amazed to see this man, who was such a big industrialist, nevertheless taking plenty of interest in other subjects as well Mr. Walchand had seen very many Marathi dramas, and used to discuss them in an admirable fashion. Similarly he used to see many films too Once he had invited the Hon Chintamanrao Deshmukh (then Governor of the Reserve Bank) and me to see V Shantaram's film 'Shakuntala' While the film was going on, Chintamanrao expressed the view that it had been depicted almost as the 'Shakuntala' drama, and that here and there Shantaram had abandoned Kalidasa Walchand liked that film very much He pointed to the hundreds of merchants who had come there, and said, 'All these are completely satisfied with this talkie' We smiled a little, but could not quite conceal that we found this talkie not so excellent as the original drama There were many occasions for discussing such dramas, talkies, and so on, in all of which we could not help conceding Mr Walchand's acutely discriminating intelligence It would appear that his mind, overwhelmed by many industries, found a sort of relief in a subject like drama

"Twice I was a guest at his bungalow on Matheran Every day Mr. Walchand would take a morning walk, and would then discuss many topics Sometimes, if some big merchant was with him, the discussion would turn on industry At times he would give charming descriptions of his travels in different lands . Seth Walchand was a good talker, and would provoke lots of fun Thanks to this all-embracing nature of his, men of many types, unconnected with commerce, would come to meet him I was completely outside the circle of his industries, and yet I never once felt myself an outsider with him. He would talk to all manner of men on different subjects, and pick up what information he could "[8]

7 *Vaibhav*, Special Walchand Memorial Issue, July 1953 page 21
8 "Smritisugandha" ("Fragrant Memories"). *Vaibhav* Special Walchand Memorial issue July 1953, pp 33-35.

In the fierce warfare which Walchand waged for India's economic emancipation, he needed help at every step from men of thought and action in the fields of economics and politics For this purpose he had contrived friendship and contact with men in the top flight in those fields. Among his acquaintances, friends and devotees he numbered men of ability in the economic, industrial and political fields—men such as Mahatma Gandhi, Jawaharlal Nehru, Sardar Patel, Sir M. Visveswarayya, Sir Purshotabdas Thakurdas, Sir Chunilal V. Mehta, Sir Manilal Nanavati, Sir Shivaswami Ayyar, Barrister Jinnah, Sir Akbar Hydari, Sir Mirza Ismail, Sir V T Krishnamachari, Sir Joseph Bhore, Sir Chintamanrao Deshmukh, Dr. Ambedkar, Prof K T Shah, Principal Dhananjayrao Gadgil J. R. D. Tata, Sir H P Mody, Pranlal Devkaran Nanjee, Babasaheb Dahanukar, Ghanshyamdas Birla, Bhulabhai Desai, N C Kelkar N. V. Gadgil, K C Niyogi, Jamnadas Mehta, Barrister Jayakar, B. Das, C H Bhabha, Lala Shri Ram Although these men were at mutual variance in their economic and political thinking, he had won them all to himself. Since he himself was above party, and each one of those persons felt sympathy and admiration for the industries which he was conducting for the country's economic advance, he freely obtained moral support and such co-operation as he required from all of them They observed his anxiety and care for the country's welfare, his bold and pugnacious spirit, his iron decision, his policy of appropriately combining the ideal with the practical and acting free of individual pressures, his unswerving adherence to an undertaking, his thought for constantly adding to the nation's wealth rather than his own; and even though some of them were mutually antagonistic in public spheres, they all extended to his activities their ready support

Between some of them and Walchand there would often be a clash of ideas, but such never spoiled their mutual friendship Walchand never allowed the sharpness of public controversy to touch the bonds of friendship between him and others, with the result that a friend once made remained his friend for ever There were also some people who outwardly showed friendship but inwardly hated him; but he never cared for these. His rule of conduct was "He that doth honour me, e'en so I honour him" He once wrote to a friend. "However surly and quarrelsome I am, however outspoken and inconsiderate and sharp-tongued, and whatever other defects there are in me, still you will have to give me credit for one virtue—my pure and sincere quality of friendship. Even though you give

me no marks for anything else, you'll certainly have to give me some for this one virtue."

The man who is endued with the qualities of love, respect, generosity, sympathy and devotion, is the truly rich man. Although the world of affairs may call rich a man who has abundant gold and coin, yet good men will not agree to call him rich for that alone They concede his richness only if the above qualities exist in him; if they do not, they call him poor despite his riches. Though honoured among the moneyed, he has no honour among the virtuous Let us even ignore to some extent the idea of public estimation; yet from the viewpoint of gaining happiness, peace, satisfaction, joy, these qualities have an importance, a real importance

Walchand knew this well He himself was not, as some supposed, a stranger to those qualities The only thing was, he lacked the art, which some possess, of making a show of those qualities regardless of whether they have them or not Although a lover of plays and shows, he never made a play or show of love, respect or generosity Looking to his character, such a thing was not within his capacity.

Just as he was no deity-worshipper, he was no hero-worshipper also He would give a man just as much respect as he deserved He allowed a man just as much honour as his status required He never flattered any man's pride Of no leader—be he ever so great—did he become a follower or a devotee He himself cherished no longings to become a leader and to gather followers If he had any deity, it was just his own life's ideal, and if he recognized anyone's leadership, it was that of the intuition within him which urged him on This is why he was never to be seen amid the carnival of a political party.

Just as Walchand loved travel and reading, he loved the arts also. Mention has already been made elsewhere, from time to time, of the drama and the cinema Both in India and abroad, he never missed an opportunity of seeing plays and films, old and new, in various languages Among plays he had an especial liking for Marathi plays—especially those of Khadilkar, Gadkari, Atre—and among Indian dramatic troupes, for the Gandharva Natak Mandali and the Balwant Sangeet Natak Mandali. In the whole of India, he opined, no singer or actor could be found to match Bal Gandharva He loved Marathi films just as he loved Marathi plays In particular,

he took extreme delight in films directed by V. Shantaram, whom he praised as whole-heartedly as he praised Bal Gandharva. He was very fond of both of these. If some new play of Bal Gandharva was to be staged, or some new film of Shantaram's was to be released, he would—if he was in Bombay—himself buy special first-class tickets, and take a dozen or two big shots with him to view the premiere.

Going to watch a film was his constant recipe for recreation When he felt tired by work in the office, he would go to the very nearest cinema of all, and sit there for as long as he felt inclined If he felt tired of the film, he would go from there to a second, or even a third cinema Numerous instances were observed of his having to go upcountry by a midnight train, when he would watch some film from ten till a quarter to twelve, and then catch his train

Walchand was also fond of singing, music and the dance He had employed a music teacher for some days, and even studied music himself He had heard and watched the songs, music and dancing of good men and women singers, music-players, and male and female dancers He particularly liked the singing of Hirabai Barodekar and the dancing of Uday Shankar Sometimes he used to invite Shreemati Hirabai to his bungalow, and get her to sing He used to go and watch plays staged by her, simply to listen to her songs in them Uday Shankar's attempts to revive the Indian Dance made Walchand feel very proud of him If Uday Shankar's dance programmes came to Bombay, or to the city where Walchand was staying when he was on tour, he would go to them without fail In 1941, when he was at Almora, he saw Uday Shankar's dance academy there, with great eagerness and delight, he even spent a little while discussing the art of the dance with the man

Fond as he was of singing, music and the dance, he was not crazy about them. Never did it happen that he laid his work aside and deliberately took time off to attend some singing, music-playing and dancing "Work first; play (if possible) afterwards" He held firmly that no craze must be indulged in, nor any habit formed to the detriment of one's regular work He had no vices, harmful or harmless.

Along with his love of the arts, Walchand took delight in collecting scarce art objects, strange and wonderful things of beauty In the course of his travels, whenever he or Kasturbai saw something of striking novelty, they would buy it, regardless of its price Very often he would also buy and make a collection of specialities of

different places, as mementoes of his visits there. This collection used to be artistically arranged and kept in the drawing-room. Sometimes as he sat resting at ease, the sight of these things would awake in him many happy and ecstatic memories of his life, and his heart would know some moments of happiness. This collection was displayed, not in order to arouse the admiration and wonder of visitors, but for his own personal pleasure. Men of dreams and intuitive minds like Walchand, are naturally of an artistic temperament. The Vision of Beauty—in sound colour and form, or any of these—inspires their minds and makes them fresh, their weariness vanishes, and a fresh impulse invades them. With such men, the Vision of Beauty proves to be a sort of stimulant, a nourishment and a need in their emotional lives.

A gentleman closely acquainted with Walchand once wrote about him. "Even those who have known him for long, say that our worthy Seth Walchand has no bosom friends, and does not know the meaning of social life or rest. Yet even this is a misconception. Our good man must assuredly be feeling that a crowd of many men and women friends amounts to an unnecessary obstacle in our path, which we have raised ourselves. It is not in his nature to spread needless confusion. He had but one friend, and his social life too pivots on but one axle, these are the work which he had undertaken at any given moment. He feels such trust in this friend of his, and his love for this friend is so free from unfaithfulness, that even his wife might feel jealous of a rival! This is why he is never to be seen in either new or old so-called 'clubs' or 'social entertainings'. What is more, if there is a marriage function for someone tomorrow, and if his relations with those concerned in the marriage are such that it will 'not look good for him to be absent', it may safely be presumed that Mr Walchand left for some other place on the previous day."

This character sketch of Walchand by his acquaintance contains no exaggeration. He had not much love for the way of living known as "social life" or "club life". Such a way tended to be sophisticated and spendthrift; such a throng had more of simulated friendship without the reality. Their laughter and merry-making, he felt, and their sympathetic and familiar behaviour were all entirely superficial and artificial. He was a member of Bombay's Willingdon Club, Orient Club and Western India Turf Club, and of Calcutta's Calcutta Club, yet seldom could he be seen moving in that atmosphere. It was only the practical consideration that it would not look good for him to steer clear of these meeting-grounds of people belonging

to his adopted status, that induced him to patronize them. He must also have taken into account one advantage, too—that if he ever had to offer breakfast or dinner to some big business connections, he could use the Club's accommodation, equipment and servants as of right, and make his guests happy

Though a member of the Turf Club, he never wagered money on a racehorse, even for fun. If friends from up-country ever showed a desire to watch a race, he would take them to see it. First, however, he would carefully explain that it was only for watching the race, not for wagering money ; they must agree to this before he would take them, otherwise—no race-viewing ! Leaving aside this type of gambling, he would not even engage in *satta* transactions He believed in effort, he had no room for luck He despised such sentiments as "We must try our luck" or "If it's in our destiny, we shall get it" One day, a friend of his, Nemchand Gandhi, said to him, "Walchand, you are a lucky man Whatever you touch brings you money." Promptly he replied, "Let nobody call me favoured by destiny or lucky. If you call it the favour of destiny, what's left of my manhood ? If I made my pile without working for it, or got money in a lottery, or showed a gambling profit, then you can call it destiny if you wish Personally, I work for the money I get, where does destiny come in ?" His clear advice to youngsters was "Get your work done smartly, with regularity and perseverance, and make your fortune that way Our luck is in our hands, not in our hand-lines. We ourselves are the architects of our future, it is not made by the planets at the instant of our birth"

Just as he was an ideal industrialist, Walchand was also an ideal employer. He treated the employees in his industrial organization with the same care and affection as he treated the members of his family. On his employees he imposed the same discipline as he imposed on his family. One was his big family, the other his small family. Responsibility for both was of the same kind, and the share of duty was equal.

Walchand commenced his own independent industrial career in 1905. From then until he completely retired in 1950, his contacts as employer ranged from illiterate and uncultured *wadars* to trained and cultured engineers, Indian and foreign, holding the highest degrees. He treated all these on the same level. His behaviour with European engineers working for him for a salary of three or four

thousand rupees was the same as that with labourers breaking stones His bosom never swelled because he had a white *saheb* working under him, nor did he ever feel it degrading to talk to a lowly *wadar*. He enjoyed talking to a *wadar* in the man's crude dialect. As time went by, his contacts came to be confined to his principal employees, and there was an end of his one-time personal contacts with *wadars*, brick-makers and masons However, the love he felt for them in his heart never grew less He never forgot that while laying the foundation of his industry, it was these people who had aided him And so, if he ever heard that any injustice had been done to them by officers of his companies, he would instantly remove it

Walchand started numerous industries, and dealt in crores of rupees, but in his career of forty-five years he never wasted a moment away from his industry. He attained the limits of hard work, and put hard work itself to shame From the day he got into industry until he retired from it, he drove his body and flogged his brain, working with devotion and discipline day and night. Of his employees too he expected the same There was no place in his industrial organizations for slackers, excuse-makers, time-killers, persons of loose conduct or averse from discipline It was to be understood that if any employee was found not carrying out his orders, and not properly observing the discipline prescribed for him, that man, without fear or favour, without mercy or pity, was sacked on the spot It mattered not whether he was a common clerk or a big manager-in-charge, a poor black-smith or a mechanical technician, a mason or a highly paid erection engineer

If anyone had any financial difficulty, he was ever ready to remove it He was never a canny spender He paid ample wages and exacted ample work He insisted that whatever job his companies undertook, must be completed not just in the agreed time, but even several days ahead of it His works were going on all over India At some places, urgent requirements would make it necessary to send technicians, engineers and overseers from one work to another. In such cases, there was a strict warning that the man must be relieved and sent to the work in question within twenty-four hours from the despatch of the order When he became aware of one or two instances of slackness in this respect, he issued a circular letter and despatched it to all centres "It has been observed" (it went) "that when a designated person is sent from one centre to another, on the plea of some private difficulty or

other, a week's delay occurs, which causes a slackening in the speed and despatch of the work. Such a practice will not be permitted for one moment. Within twenty-four hours from receipt of orders from the Head Office, the person or persons concerned must complete their transfer to the designated post. No excuses will be accepted" So strict were Walchand's ways of management

Walchand attached very great importance to regularity and swift despatch of work. His companies had won a name for doing regular, faultless, and top-speed jobs In such matters Government, the Railways, the Municipalities, and the Military departments had great confidence in him. Consequently, he was wont to tell his senior officers, that this confidence must on no account be lost He clearly told them that they should get themselves whatever facilities they required, and spend whatever sums were necessary, but he would not permit any kind of shilly-shallying or negligence whatever, where the work was concerned He said he wanted men who would toil day and night to raise the Company's reputation ever higher he had no use for lazy types who plumed themselves on their own wisdom. When anybody who felt confidence in the Company's ability came to entrust some job, Walchand could not tolerate it at his engineers or managers said that it could not be done within a particular time. He would say, "This is a challenge to our Company's ability; we must accept it What have I kept a great big fellow like you for?"

A former engineer in the Hume Pipe Factory, Dev, says 'It was the time of the World War General Wavell[9] had asked us, through the Government of India, whether we could urgently manufacture a pipe-line three hundred miles in length, for carrying an oil supply in Africa He had already approached some companies in India, but not one was willing The Boss asked our then Chief Engineer T G Patel, 'In case we accept this order of Wavell's, how soon could we fulfil it?' He said it would take at least a year or a year and a quarter. This drew a biting reply from the Boss 'Is Hitler going to wait for you, all that time? Arrange so that we can make the pipes in four months, and quote Government a period of six months Government will certainly give us all the help we need.' On hearing this from the boss, Patel and I jointly worked out what arrangements

9 At this time (1941) the African theatre was under this man's command Hitler's forces had captured Greece and entered the harbour of Tripoli in North Africa They were under the command of an able strategist like General Rommel His troops pursued shock tactics against the enemy. At his arrival in Africa the British began to flee amid confusion This was the background to this incident

would have to be made about manufacturing the pipes, and drew up a definite scheme; we also thought out and decided what help and what kind of help we would need from Government for carrying it out. As soon as the scheme was ready, we laid it before the Boss He said, 'Government will certainly give you whatever help you may need in this matter Now get on with the job' Directly after this he sent for his Chief Engineer, Lawson, and told him, 'Dev will explain the whole scheme to you I have two main points. First, what is the scheme for manufacturing pipe sufficient for a line length of two and a half miles per day Second, if that scheme is not effective, what other alternative scheme can be devised Think over these two points, and tell me what you have to say' Lawson then satisfied himself in the matter, and advised Government that we were prepared to make the pipe, and would complete the expected quantity within six months"

This incident enables one to appreciate what Walchand expected from his employees He expected that his employees should always be ready, as he was, to take the plunge Those employees who could match up to this, alone stayed with his companies. These persons benefited their master and benefited themselves also There were some persons who, through the commission they got for the trouble of securing jobs, through increased pay, and through bonus, often made more even than their employer Walchand was aware of this, yet he never harboured ill feelings in his mind against them On the contrary, if anyone reported thus to him, he would say. "I consider this a matter for great happiness and pride No one should say that he had done work worth lakhs of rupees and never been able to make a farthing That man will certainly feel in his heart—even if he doesn't admit it in public—that it was only because he got the chance to work with Walchand, that today he enjoys that happy position What harm is there in this?" Such was his attitude to his employees; and because of this, his employees gave their blood and sweat to make his business flourish

For getting his employees to work to his wishes, Walchand had a somewhat different skill His secretary Bapusaheb Sardesai says. "Since he did not inject the slightest trace of authority, it was the invariable rule that the employees continued to work with pleasure, and did their allotted work with the feeling that it was their own personal work. Seth Walchand never scolded people for trifling little errors. If by chance some such error came to his notice, he never went further by way of reproof than saying 'What a clever chap you

are !" I do not know of Seth Walchand's having used stronger words to anyone than these. Of his employees, especially the old ones, he used to speak to his friends and companions with great pride and respect. On hearing of this, those employees would think to themselves with astonishment, 'Does the Boss really think so highly of us ?' When Seth Walchand possessed this quality of recognizing qualities, there is nothing very surprizing that so many men should have stayed and worked their fingers to the bone for him, year after year

"Seth Walchand considered it his duty to enquire about his employees when they were ill or in difficulties, and if the volume of work did not allow him to do this, he would get me to do it on his behalf

"As another example, I may mention the taking out of an insurance policy instead of a cash increment Seth Walchand relied on this method especially in the case of spendthrift employees

"The caution which Seth Walchand showed in selecting a man ended there Afterwards he would trust him fully and give him work without hesitation The chief reason for the huge works which were completed at Seth Walchand's hands was chiefly his utter confidence in his colleagues and helpers This quality is seen in very few employers Another thing was that Seth Walchand himself did so much work, that nobody could complain of himself being given too much work "[10]

How Walchand, if he ever found his officers not paying proper attention to a particular point, would subtly convey his suggestions to them with a smile, instead of openly finding fault and taking them to task , and how on the other hand, if an outsider slighted his officers, he would take their part and make that man apologize has been related by an old retired engineer from his organization, K R Deshpande, in his recollections He says ·

"Once Seth Walchand had gone on a three-day visit to Walchandnagar Some four or five days previously, I had been sent for by the factory for some work, and so when Seth Walchand came to Walchandnagar, I was on the spot When Seth Walchand came there he used to take me with him as he moved about to see the work going on. One evening three of us—Seth Walchand, myself and the estate manager of that time—set out on the trolley to see the sugarcane crops round about the factory. Some of the cane belonged to

10 "Little Stories of a Great Businessman", *Vaibhav*, Special Walchand Memorial issue July 1953

private growers and was sold by them to the Company at an agreed rate, while some crops were grown through labour by the Company itself, which spent for seed and fertilizer Since the trolley ran right through the middle of the cane crops, as the trolley rolled ahead we had crops close to us, in different plots, on either side Then Seth Walchand pointed to one crop and said, 'This cane is not ours'. After the trolley had gone on a little, he pointed to another crop and said, 'This cane is ours' After Seth Walchand had pointed and spoken like this at four or five places, I asked him respectfully, 'Sir, when and how did you come to acquire such detailed information ?'

"To this he replied, 'My good friend, how can you fail to grasp such a simple point ? The cane crop which is not good. is ours Because whether the crop comes good or bad, every one of our employees, big or small, gets his salary and every labourer gets his daily pay, just the same If the crop is bad, it doesn't affect their salary or their daily pay But with the private growers it's a different matter They simply have to take pains over their crop Because if the crop comes less, since the cane is sold by weight, the price of the cane will become less, and they'll get less money And if that happens, how will they meet their expenses all the year round ?'

"Quetta had an earthquake in 1935 The whole town was shaken and many buildings fell In 1936, the M E S gave the job of constructing Government buildings to three or four companies. Among these, the Hindustan Construction Company also got employment The Company had then appointed one Brigadier Charles (Retired Chief Engineer, Southern Command) on the job His duties were solely confined to explaining any difficulties, which the Company might experience, to the military engineering officers, and to averting difficulties I too was then employed at Quetta, from 1936 to the end of 1939 On one occasion Brigadier Charles came to work on which I was engaged, and while talking to me, referred to certain miscellaneous works in slighting terms Without replying to him, I left the work, went to the office, and complained to the then manager of the place, M P Shah It was to no purpose A few days later, the Company's most senior Manager, Banerjee, arrived from Bombay. I laid my complaint before him also. 'After that Brigadier Charles uttered slighting words,' I asked him, 'in the presence of my subordinates and workmen, what am I still worth ? In such a situation, how will my employees and workmen care for

me ?' Banerjee was equally at a loss how to speak to that Brigadier Charles about this matter, and he in his turn kept his mouth shut and did nothing.

"By chance it happened that Seth Walchand also came to Quetta at this very time. In the presence of Shah and Banerjee I laid my complaint before Seth Walchand, and requested him to find some way to wipe out this insult, or else to transfer me from Quetta When he heard this, Walchand at once made enquiries with Banerjee. He told him, 'Mr. Banerjee, please tell Brigadier that he has no business to interfere with the actual work supervised by Company's senior staff and that he should not use uncourteous language while speaking with the staff We know very well our senior staff They have been working with us for more than fifteen years and they are still with us because they are doing good work for us' As soon as Seth Walchand returned to Bombay, Banerjee gave that Brigadier Seth Walchand's message, and Charles came to my work and apologized to me unreservedly For a retired military Chief Engineer like the Brigadier to apologize, no doubt does him credit Yet I felt it even more important and valuable still, that Seth Walchand should have upheld his officer's authority and told even an important officer like the Brigadier to treat him courteously "

Walchand took as much pains to safeguard the self-respect of his officers and employees as his own self-respect He considered that an insult or disrespect to them was like an insult or disrespect to himself. He used to tell his officers that, like himself, they should behave with Europeans with a sense of equality, and without accepting a position of inferiority. He would say to them, "When you call on any European or Indian officer whomsoever, always bear in mind that you go as Walchand's representative You must behave with them as I behave. As soon as the officer calls you inside go there, greet him, shake hands, and take the chair in front of him of your own accord; and then start to talk Don't stand waiting for his permission. If you behave in this way, that officer will begin to talk to you on equal terms. Even when you come into my room, you must sit on a chair without my telling you If you don't behave like that here, what sort of a figure will you cut outside ?"

When Walchand went to talk to any big Government official on business, he would take along with him this or that engineer or officer of his. He would seat this man beside him and introduce him to the official. The object being that this man should know what he had said, and next time, when he called as Walchand's

representative, he should deal with the official free from all diffidence.

No less than his care for maintaining his employees' honour, was his desire that they should enjoy economic prosperity along with the prosperity of the Company. At the time of the World War, in 1940, military works were started on a vigorous scale. At that time, companies doing contract business got work in large quantities. Simultaneously the rates of labour increased, which meant that the profits of the contracting companies increased too On these increased profits Government cast an eye Government decided that a contracting company's real profit should be the percentage of profit over the amount in the works bills, after ascertaining what had been its profits for the three years preceding the War As regards works carried out for the War, Government decided that, of the excess profit over the old percentages, 50% in the first year and 70% in the second year should be collected as Excess Profit Tax On learning this, Walchand promptly raised the pay of his whole staff, without distinction of small or great He said, "Instead of paying a tax on excess profit to Government, why not share it out among the workers through whose excess work the Company has completed its tasks in time, who have laboured with care and devotion to achieve that completion ?" At that period, among the industrialists who made crores of rupees in profits, hardly one could have been found with this vision It is this very sort of vision which shows up the difference between Walchand and other industrialists Walchand had fully assimilated the doctrine that "A contented servant makes a contented master" Excessive selfishness, he agreed, must lead always to disaster.

Walchand's industrial business went on steadily growing for forty-five years And at the same time he experienced the truth of the Marathi poet Moropant's saying, that

> Know this for truth,
> In veriest sooth,
> Where things do grow,
> There passions blow.

Trouble, struggle, agitation, turmoil, disputation—these showed themselves as it were his portion from his birth To be ever on foot was his nature. Moving from place to place on business never ended. Yet with all this, his grip on the reins stayed firm Since he never allowed his thinking to be confused, and since he had

well disciplined both the whole machine and his own self, everything went on like clockwork. Though the growth was unbounded, and though he made the sky the limit, his gaze never strayed from his chosen field of action However high the kite soars in the heavens, its eyes never leave the ground ; it is on a patrol that never ends. Even so it was with Walchand. Fortunately he had been blessed with helpers to tend his growing business, with devotion and utter dedication, such as Gulabchand, Ratanchand, Lalchand, Govindji Raoji, Amichand Daluchand, Sardesai, Banerjee, Lawson, and Motichand Shah With the exception of Motichand, all these have been introduced as occasion arose, together with what they did at the time of establishing Walchand's various industries This last gentleman, one feels, should similarly be introduced as we go along As well as those other persons, Motichand rendered unforgettable service to the temple of Walchand's business.

Motichand Shah [1898-1960] was only son of Walchand's elder sister Kankubai. Having lost his father right in infancy, he was brought up and educated in Walchand's own family In 1919 he got his B A from the Bombay University with History and Philosophy. As soon as his examination was over he got into his uncle Walchand's construction business Actually since he got his B A with First Class Honours, he should have secured his M.A and gone in for teaching However, since it was his uncle's wish that he should help him in the construction business he began to work along with him About this time, Walchand had joined up with the Tata Construction Company. He needed the help of an intelligent and well-educated young man like Motichand Shah He made him responsible for different departments from time to time, and trained him in this industry Up to 1928 Motichand worked with his uncle In that year he married Walchand's only daughter Chaturbai (now known as Kusumbai).

Motichand presently established a company called "Motichand and Company" and started a construction business on his own He opened an antimony factory in 1941 and a pottery and tile factory in 1944 It was Motichand who did the work of erecting the big building of Bombay's Metro and Liberty Cinema houses, of the Industrial and Prudential Assurance Company, the Bombay Mutual Life Assurance Company, the Bombay Hospital, and the Bharatiya Vidya Bhavan. Later, Government made him a J.P and Sheriff From this able nephew Walchand got much help in his construction industry, from 1919 to 1928. His solicitude, strict discipline in

work, shrewd disposition, exactitude, and power of positive thinking proved highly useful to Walchand in developing his construction industry and making it progress in all directions. Having a reliable man like this from his own family in this industry, Walchand found himself free to give undivided attention to his other industries

Walchand paid just as much attention to his family affairs as to his business affairs; into these also he had introduced proper discipline He had been fortunate enough to secure a wife like Kasturbai, who capably and conscientiously followed the discipline he prescribed and the policy he laid down From the time of her marriage in 1913, she kept Walchand company for forty years Sharing his ideas upon family and personal life, she gave him a blissful married life, and made their joint life full of happiness

Walchand felt that the day of his marriage to Kasturbai marked the dawn of his good fortune He considered her as his Lady Luck She in turn considered him as the Lord of her Luck, and was always intent upon serving him She clung to him like his shadow She strove in every way for his physical and spiritual comfort And Walchand behaved in the same way to her He never allowed her to lack for anything Whatever she wanted, he did for her The moment that her lips proclaimed that she liked, or had liked, some particular thing or object, or that some particular course would have been desirable, he would immediately see to the matter Not that Kasturbai was frequently saying, with this in view, that she wanted to have this, or she would like to have that done Her comments came spontaneously But when she saw that even her casually uttered words were taken by Walchand as her actual wish, and that he promptly took steps to fulfil them, regardless of expense, she began to try to pick and choose her words as far as possible Being an extremely business-like and attentive housewife, she did not like her husband to spend for her when there was no real need

This good lady showed the present writer one or two very costly objects, which had been bought at one city on one occasion during their tour of Italy, and said, "I didn't really need these at all I had simply remarked 'Aren't they lovely?' That evening I found that the shopkeeper had wrapped them and sent them to our hotel! I asked my husband, 'Why did you buy such costly things?' To which he replied, 'You liked them, didn't you? So let them be in your collection The cost is not all that big' After he did this, whenever we went into shops and suchlike I had to be very careful what I said I felt it was extravagant to buy things which could

not be useful to us. He was different. If anything caught his fancy, he bought it—however high the price. Of course I never came in the way of his buying as he liked. I merely kept the policy that in our own affairs we should go cautiously" Although Kasturbai was so careful, Walchand understood her feelings, comfort and pleasure His love for his wife was as profound as it was clinging

Walchand had placed all the reins of his family affairs in Kasturbai's hands. He never interfered in her management He similarly expected Kasturbai never to interfere in his business affairs. Every night, as he sat down to dinner, he would tell her of his work during the whole day, and the tale of his achievements She would just listen to it She would not make the mistake of conveying her views or advice! Walchand was not very keen about women poking their noses or meddling in industry and business According to his way of thinking, they should attend to their household affairs and simply see how to run these properly; they should not mess about with men's work outside Nor did he like women taking men's jobs. He never once employed women in his offices No matter what pressure was exerted, it was always a definite No

There was only one thing permanently missing in the happy life of Walchand and Kasturbai, namely, the joy of issue Prior to 1919, Kasturbai had two issues, one girl and one boy, but they proved to be short-lived After that she had no child Walchand probably felt a recurring suspicion that this sorrow about children must lie buried somewhere deep down in Kasturbai's heart Walchand took the greatest care that this sorrow should not raise its head and spoil even a little part of their otherwise happy and joyous life. He used to tell her that they must act with the feeling that the children in the family were their own And even thus would she too act Those who saw them care for certain motherless children of the family, loving them just like their own, still talk of them today with respect and honour.

Walchand was an ideal family man with a strong sense of duty He thought that if the Joint Family System had some faults, it also had many virtues. If, he used to ask, we talk of mutual co-operation in public affairs, why should not the same co-operation be fostered in our own family? How will those who cannot maintain concord in the family, be able to achieve it in the outside world? He was always ready with this question. He used to say that, instead of admonishing the world that "Union is Strength", every man should achieve it first in his own case, and then try to preach the same

For that sort of achievement, a man must achieve the spirit of sacrifice. He must make himself ready to suffer loss for others In today's society, we have begun to experience an absence of both these things We see every man looking no further than his own nose. The consequence is that the institution of the Family, which is at once so beneficial and so strong, is today on the way to collapse The spectacle of this made Walchand very depressed. So long as his uncle and father survived, despite periodic suggestions for partition, Walchand would not allow his family to be partitioned Actually, it was thanks to him that the family assets had reached a very high figure. From the financial angle, a family partition would have benefited him more than the rest Yet he never allowed such a selfish thought to enter his head

Walchand's father Hirachand Nemchand was an extremely regular gentleman, who moved very cautiously in money matters Walchand's industrial ventures often appeared to him risky Once he told a friend of Walchand's, Nemchand Walchand Gandhi of Dharashiv, "Dissuade Walchand from this enormous industry If he suffers loss, some day, from this world-wide business, he will lose all the honour and reputation he has won so far. You know him somewhat better, so if you give him a word in season, perhaps he'll listen to you" Walchand was aware of this fear which his father felt In order to allay it, and to reassure him about the family property, he made a Trust of the family estate on May 4, 1928 called the Sakharam Nemchand and Hirachand Nemchand Family Trust Even this, it seems, cannot have allayed his father's fears In 1932 he expressed a wish to be personally separated from the family, and requested Walchand to give him his share of Rs 1,36,000 and release him Accordingly, Walchand gave him that sum and relieved him from anxiety.

Thenceforward, after separating from the family in business matters, Hirachand began to live in his own independent bungalow near the Sholapur City Hospital Although he had separated in business matters, yet Walchand never considered him separate from the viewpoint of family relations; nor did he ever slacken in his duty as a son towards him. Since his health could not stand the fierce summer heat of Sholapur, Hirachand used to go for four months, every year up to the end, to Bombay, where he would stay in Walchand's bungalow on Narayan Dabholkar Road, Munim Villa Walchand gave him an independent room on the ground floor, and made all arrangements for him Every evening, as soon as he

returned home after finishing his work, he would first call on him and make solicitous enquiries, before going upstairs to his own room He took great pains to see that he should not suffer the least privation or distress of mind. Kasturbai too was always vigilant to preserve her father-in-law's comfort.

Hirachand passed away on February 2, 1938 at Sholapur His elder brother Sakharam had already passed away in 1924 He had only one son, Raoji (b January 23, 1885), three years younger than Walchand Both of them had passed their fiftieth year Walchand thought to himself, 'We're both beginning to get on in years. So far all the people in the family are getting on together swimmingly; but still, what guarantee is there that the future generation will do the same? Therefore, while Raoji and I are still alive, looking to the ultimate good of the family and the businesses it will be wise to partition the estate between the two branches of Sakharam Nemchand and Hirachand Nemchand, after mutual consultation' Accordingly, after consulting Raoji, Walchand decided that the estate should be partitioned and all become separate in August 1938 After deducting liabilities, the net figure of the whole estate was determined at 24 lakhs of rupees. It was partitioned with a half share to the Sakharam Nemchand branch (Raoji Sakharam Rajubai Raoji, and Govindji Raoji) and a half to the Hirachand Nemchand branch (Walchand, Gulabchand, Ratanchand and Lalchand). The shares of either branch took equal portions of the share of their respective branch Over and above this, on the day of partition it was decided that each one should retain with him whatever moveable property was in his possession This obviated the trouble of making lists of this moveable property and determining values. Raoji Sakhharam however said that there was no need for Walchand to give his branch so large a sum as twelve lakhs, and it would be all right for him to give less, it was Walchand's ability, he said, which had been responsible for raising the family property to such a high figure But Walchand did not accept his offer He said, "From the viewpoint of the family's ultimate good, this equal partition is proper. In days to come, when someone in the family who is now a minor becomes a major, there is a chance of his invoking the Court and creating trouble It is best to take care of this in advance"

Everyone respected Walchand's wish, and in a very short time the partition deed was duly prepared and officially registered on August 24, 1938 This whole transaction went through in a manner

so expeditious and free from fuss, that when people came to know of it many months later, they were amazed.

Only two or three days after the partition deed had been registered, and each one had received his share and become separate in business matters, Raoji Sakharam got his wife Rajubai to give Walchand a gift of three lakhs out of the four lakhs which had fallen to her share. Walchand was not willing to accept this amount, but since Raoji refused to give way, he was forced to accept it. Raoji was a gentleman of an idealistic and selfless disposition. It is natural for a man of his type to feel that he should not take advantage of what he has not earned, even though the law gives him a share. In this matter of partitioning the property, if Walchand showed immense fellow-feeling for his family members, Raoji no less showed the immense selflessness and disinterestedness of his nature.

Although the joint families of Sakharam Nemchand and Hirachand Nemchand thus became separate from the business aspect, they continued to live together as before. All the male members continued to serve as Directors and executives of the companies which Walchand had established, and assisted their development, as they still loyally do even today. Whether we attribute it to Walchand's sterling qualities, or to his firm and far-sighted business policy, this family has held together, despite partition, to this very day.

In 1946, eight years after the partition of the family estate and the separation of all the brothers, Walchand gave all his property —including three bungalows at Poona and Matheran—to Kasturbai, and got her to make a Trust, known as the Kasturbai Walchand Trust. Walchand had made provision in the Trust deed that the income from the estate covered by this Trust should accrue to Kasturbai during her lifetime, and after her it should be applied, without distinction of caste, religion, sect, region, etc., for education, research, medical help, and aid to the public at critical times, building wells and tanks for the convenience of the peasantry, setting up reading rooms and libraries, and other works of public benefit. Instead of making any individual heir to his wealth, he made his fellow-countrymen the heirs. All his life long he wore out his body in serving his country; and when that body disappeared for ever, he arranged that this estate should continue in his country's service.

Walchand's life was in one sense a life of pure dedication to Action. For personal deliverance, or for the economic or spiritual heights, he never longed. To deliver his native land from economic slavery, and set her on the economic heights, was the only longing of his heart throughout his life. Counting beads, muttering of names of deities, prayers, religious fasts had no place in his life ; he never swallowed the bait of fame and honours. Though constant in his country's service, he never made capital out of this service He cherished no craving for power and riches Though he had founded a mighty industrial empire, he entertained no ambition of becoming an emperor himself Such leadership as came naturally to him in the industrial field, he accepted in a selfless spirit. He used it, not for his own personal gain, but for achieving his country's gain

While doing all this, he never let even the thought enter his head that he was doing anything out of the way. He considered that he was merely performing his duty to the land where he had been born and bred All his life's exertions were devoted to the observance of this duty, which he endeavoured to observe with all possible sincerity Had anybody asked him why he had formed such a world-wide industry, in which there was no personal gain or profit for him, he would have paraphrased the answer that we find King Janaka giving at one point in the *Mahabharata*, namely,

> "For God and forbears, I performed all this,
> For every thing that lives, for these my guests,
> Not for myself."

He would have said, "I formed these industries for my ancestors, my family, and my poverty-stricken fellow-countrymen, not for myself."

He was always conscious that he himself was just a machine, the Lord of his country's destiny being the Driver ; and thus the demon of Self-seeking never possessed him Being free from the concept of selfish action, he had an ever-contented mind Contentment was his true riches, and this he had without alloy

Walchand's later years passed in an atmosphere of increasing grandeur ; yet he kept his own personal living simple Whereas in former days he had walked when he had to walk, taken a carriage when a carriage was available, ridden on horseback when a horse was available, and plodded about his business by whatever means of locomotion was to be had, in later years he began to travel by car, by special railway saloon, by steamers of royal magnificence like the *Queen Mary* or the *Normandie*, by aircraft like the China

Clipper; and yet there was no change in his regular simple dress or in the disciplined and self-reliant tenor of his life. A clean white turban and a long frock-coat, a dhoti and shoes, made up his invariable costume—whether he was sitting in his office or enjoying the hospitality of the Viceroy. Even on journeys he never made a display of mountains of luggage and all manner of clothes. He never kept a regiment of orderlies about him, he might take some servant or attendant with him, or he might not. He was bored by display. Only where necessary would he make use of servants; otherwise he preferred to rely on himself. His individual philosophy of living was, "Let members of my family enjoy the pomp of servants to their hearts' content, and have all the grand state they want. That pomp and that grand state are not for me To depend on servants is one kind of slavery; dependence on others never gives the happiness that self-dependence gives I'm a rough farmer; his plain and simple life brings a joy that wealthy ostentation hasn't got"

On a par with his dress was his manner of dining Rice and buttermilk would do Even plain *chupattis* would do In fact, when he went to a rural village like Ravalgaon, he would be happy with a supper of just onion, jowari bread and spiced lentil paste, and eat it with relish He praised that sort of supper as "Shiwaji Supper". Whatever the food, he never turned up his nose at it, or called it names He did not like anyone else calling it names

Once, many years previously, a gentleman in moderate circumstances had invited him, and the men with him, to dinner at his house. As soon as they sat down, a certain gentleman among them began to call every dish names Walchand did not like it, but for the time being he said nothing to that gentleman. As soon as the dinner was over, Walchand said to that gentleman, "Tomorrow we all shall dine at your place Be prepared" "Good!" said he Next day Walchand, accompanied by all those of the previous day, went to dine with that gentleman. The dinner was served in great style, yet Walchand began to call every dish names That gentleman felt greatly distressed, and openly said so Walchand laughed and said to him, "I called them names on purpose. Yesterday when you sat for dinner at that gentleman's house, what names you called every dish, in front of everyone! Had you thought how much it would distress him?" Immediately the man's face fell He said, in shame-faced tones of penitence, "Indeed I did wrong! I ought not to have behaved like that!" The men present said to themselves,

"Walchand has taught this vain chap a nice lesson!"

Walchand was excessively fond of eating parched corn (*hurda*). At Walchandnagar, a little plot in a field on the river bank was reserved for this purpose. During the *hurda* season he would invite his Bombay friends and call them to Walchandnagar to eat *hurda*. And beneath the cool shade of the trees on the river bank, he would hold an evening *hurda* party on the specially prepared ground. He would forget that he was a big merchant, and mingle with the throng. They would have a feast of song, music and merry laughter. The countryman's spirit would arise in Walchand, and he would be absorbed in telling a number of amusing stories in picturesque language. The shafts of repartee and wit would begin to fly. Walchand had an abiding sense of fun. He could relish another's joke at his expense as much as his own. Consequently, the whole atmosphere became relaxed and jolly.

When Walchand was in Bombay, he would take afternoon tea at the Taj Mahal Hotel, and would sometimes lunch there also. But this tea, or this lunch, was not for fun. He would have matters in connection with his business which must be discussed with this man or that man in peace and privacy; those were for this purpose. The tea or lunch would be served in a special room arranged for him to occupy. He did not like to hold business talks in his office. There was a chance of his employees giving things out, he felt, and often unnecessary complications cropped up. It must have been for this purpose that he made these arrangements. No doubt he took his officers and colleagues into his confidence, but even so, only up to a certain point. He never took anyone to his bosom. Though he had a great host of friends, there was not one among them who could be called a "bosom friend". Nor did he ever desire that there should be any such. A man of dreams and objectives has an inner life which is for the most part lonely. He chooses to walk by himself. He does not contrive to mix or sojourn with another beyond a definite point; and it gives him no pleasure to do so.

Walchand's constitution was basically healthy and hardy. Taking swimming and riding exercise in his youth had made him hardy and active. In later life, his only exercise was walking rapidly for some time in the open air, morning and evening. But that happened regularly. Often, while returning home from office in the evening, he would get out of his car half way along Marine Lines, and was frequently to be seen stepping with long strides, while chatting to someone or other, in the direction of Malabar Hill.

His daily regime was fixed He would rise at six. After drinking milk he would go for a short walk and return His walk would frequently be just in the garden which faced his bungalow. Afterwards, on finishing his bath he would begin to read the newspapers. This would go on for a couple of hours Now and then, if any visitor came, he would also talk to him After finishing his meal at about ten or half past ten, he would go to his office or wherever he had planned to go for some business. However much work there might be outside, he made it a point to spend at least half or three quarters of an hour in his Construction House office During that time, his Head Clerk and Head Accountant had each to place his papers before him systematically, and note down his orders or points for replying to correspondence. Often Walchand would himself jot down remarks in two or three words These the Head Clerk and the Head Accountant were required to expand, and deal with the subsequent writing

This writing could be done only if these two men were such as possessed a correct understanding of Walchand's cast of mind and policy Walchand had found such men; they were C S Ayyangar and N S Chetty. The former was the Head Clerk, while the latter was the Head Accountant. These two looked after the important correspondence and the accounts sides of the office in so excellent a manner, that Walchand never had the least trouble in these connections. He was able to rely on them without hesitation These two managed the whole office with integrity and discipline, so that Walchand had a correspondingly profound confidence in them Especially the Head Accountant Chetty was an impartial and pleasant gentleman of deep learning and high-minded temperament, which made Walchand fond of him Ayyangar was somewhat timid in his ways His efficiency was enormous, Walchand admired him Both these men were deeply devoted to Walchand, and were proud of having found such a master Seeing the mutual behaviour of these three persons would give an accurate idea of what close relations can subsist between an employer and his employees And employer and employees would each begin to feel admiration for one another

Walchand's time for returning in the evening was fixed At eight o'clock, he insisted, not only he but all the family must be present for dinner. If for any reason he was not going to be able to come punctually, he would direct them beforehand to set aside a glass of milk for him and have their dinner. After dinner he would go to bed at ten This meant that, despite his strong love

of dramas, he never went to a night show. To this there was one exception, namely the Drama Festival held under the auspices of the Bombay Marathi Sahitya Sangha ; he would attend every single one of the dramas shown at this festival. He never slept during daytime. Later in the last few years of his life, on the doctor's advice, he had started having siesta after the morning meal.

After 1940, in order to keep fit, he began to take up residence for a few months in the year at Poona and Matheran. He would spend three days a week—Tuesday, Wednesday and Thursday—in Bombay. On Friday evening he would go to Matheran or Poona With telephone arrangements at both places, he felt quite close to his office despite the distance. Whenever he desired, he could speak to Sardesai (Construction House) or Master (Scindia House) At times he would declare that he felt as though the telephone wires were his "arteries".

This way of life of Walchand's lasted fairly regularly up to 1947, but thereafter infirmity began to lay hands upon him In December 1949, Wednesday 14th, he was standing near the lift door in his bedroom in the morning, in order to go for his usual walk in the garden of his Bombay bungalow, when he suddenly became dizzy and fell. He did not regain consciousness for a long time. And when he did, he could speak one word at a time with the greatest difficulty, and that too, very indistinctly He could not move his hands or feet It was a severe stroke of paralysis Nearly one month passed in a highly critical state From April 1950 a very slight improvement began to show itself in his health , hope began to be felt for his survival Yet his body had become permanently crippled.

From 1949 Walchand gradually began to retire from one company after another. At the beginning of 1950 he resigned his directorship of the remaining companies, and completely retired from the industrial field.

One contest was over ; but another fresh contest had begun

15.

THE PASSING

WITH Walchand's retirement from the industrial field, that particular contest was over ; now however, a fresh contest had begun Death had despatched his troops to assault him Walchand erected his fortifications and prepared to drive them back. The citadel of his body began to totter His senses were losing their powers Only his mind stayed firm His fighting spirit continued to bear it company

Death was trying to creep closer and closer. Walchand's will-power was straining to keep him at a distance For some while he thought that, by trying to secure the help of both divine and spiritual forces, he could win this fresh contest

From April 1950 the fierceness of the assault upon him seemed to abate somewhat. He grew impatient with lying still Though he had physically retired from his business and industries, mentally he must not have retired His hands and feet could not function , his speech too was halted , but his mind was not halted Thoughts about his industries and businesses went on revolving in his mind

Directly he felt a little better, Walchand could not refrain from turning his gaze upon his industrial world Especially for the Premier Automobile Company, it seems, he felt an especial anxiety The factory being a new one, and having been erected by him in the teeth of endless difficulties, it was natural that his attention should continue to be directed towards its progress He felt an intense desire to see the work going on there personally Even in this impaired physical state, he would motor there from time to time Since he could not speak properly, his officers would of their own accord give him a detailed account of the work going on in the factory. If he was not satisfied, with great difficulty he would frame the question, "What else ? What else ?" In uttering even these words he experienced extreme difficulty

To Walchandnagar too he went and stayed a few days Presently, some merchants from Sholapur brought a report that in a village

of Orissa called Angul, there was a child Devotee called Nepal Baba with powerful spells, who could cure diseases like paralysis Walchand was a rationalist, who put little trust in charms and spells However, at the insistence of his wife and relatives and friends, he agreed to meet Nepal Baba. Since Visakhapatnam was on the way, he stayed there for a few days. The ship-building yard there was as dear to his heart as the car factory.

During his stay at Visakhapatnam, his eyes drank their fill of the ship-building yard there, while he went about everywhere by car; his ears took their fill of the tale of its progress His mind felt a deep satisfaction. The love and respect which the people there showed for him, made his heart swell To erect this plant he had wagered the whole of his strength, he had fought the British power with incomparable courage he had unfurled the flag of victory there

While camping at Visakhapatnam, Walchand learned that a violent outbreak of cholera had occurred in the village of that Nepal Baba whom he was on his way to see, and in the surrounding district, and so Government had prohibited access to that place Walchand of course had no option but to give up his plan of meeting Nepal Baba, and go back This whole trip had been made in a car specially built for him.

After this, Walchand was kept at Vajreshwari—a hot spring resort in the Thana District—for a few months. So far as improving his health was concerned, the stay there does not seem to have been of much use.

Walchand now appeared to have surrendered his body entirely to his wife. He would stay where she put him, he would go where she carried him. He did not seem to have any will left of his own

Kasturbai must have begun to think of seeing whether anything would come of taking Walchand to holy places and getting divine blessings In February 1953 she set out from Bombay, taking Walchand. They made a pilgrimage to Nasik, Dhulia, Indore, Agra, Jaipur, Ajmer, Abu On their way back to Bombay, Kasturbai made a halt at Siddhapur near Ahmedabad, in order that Walchand should be treated by a certain royal physician.

Kasturbai and others had been making strenuous efforts to drive Death away; but Death, it seems, would not abandon his pursuit of Walchand At this halt, Death made a savage attack, using the weapon of enteric fever. He achieved his longed-for purpose

At Siddhapur Walchand's earthly pilgrimage terminated on April 8, 1953. Death claimed him for his own. The second contest

in Walchand's life was over. The course of his conquering spirit changed direction, and commenced its journey towards the world beyond.

A great creative industrial genius passed away With his passing came to an end an age of mighty private enterprise in India

APPENDIX

WALCHAND GROUP INDUSTRIES TODAY

AFTER the passing away of Walchand Hirachand the industrial kingdom that he founded has expanded into several directions as mentioned in the previous chapter (pp. 526-586) There the story has been brought to the end of the year 1963 Readers would naturally like to know the up-to-date developments Hence I narrate them here briefly

The companies which comprise the present 'Walchand Group' are

1 The Premier Construction Co, Ltd,
2 The Hindustan Construction Co, Ltd,
3 Acrow India Ltd,
4 Vikhroli Metal Fabrications Ltd,
5 The Indian Hume Pipe Co, Ltd,
6 Cooper Engineering Ltd,
7 The Acme Manufacturing Co, Ltd
8 Walchandnagar Industries Ltd,
9 The Ravalgaon Sugar Farm Ltd,
10 The Premier Automobiles Ltd,
11. Bombay Cycle & Motor Agency Ltd,
12 Premier Auto Electric Ltd,
13 Pal Hire-Purchase Ltd.

The Premier Construction Co, Ltd .

Today the Premier Construction Co, Ltd, is an investment Company, and a service organisation Its control of the operations of various companies of Walchand Group is bringing about revolutionary changes in the field of construction and engineering business in this country It has developed into a vast industrial complex consisting of 13 separate companies with factories and workshops located all over the country

The Hindustan Construction Co, Ltd. :

During the post-war period, however, the firm took long strides

in the heavy constructional projects of dams, factories, tunnels, bridges, public health engineering works and architectural buildings

It undertook the construction of the Vaitarna Dam for the Bombay Municipal Corporation and it was the first concrete dam constructed in the country. During this project, all constructional activities were mechanised The aggregate was transported from the quarries by aerial ropeways The sand was manufactured by crushing stone in Rodmills A batching plant for production of concrete in a highly controlled manner and cableway for transporting concrete to the position were employed. For the execution of this project, a foreign civil engineering contracting firm was appointed as consulting engineers by the firm to erect, commission and operate these highly complicated mechanised plants and to train the Indian personnel. After the completion of the Vaitarna Dam, the firm constructed much larger dams like Rihand and Kakki-Pamba and now it is embarking upon the construction of a concrete Arch Dam at Idikki which is also going to be the first of its type in the country All constructional activity is now being carried out by Indian personnel

The firm entered the field of construction of Barrages and the first was the Sone Barrage and now it is engaged in the construction of the Farakka Barrage For the Farakka Barrage, experts from all over the world have been invited by the Government of India to advise them on the constructional methods and many experts had opined that construction of this Barrage was very difficult and when completed, it would be a feat in Civil Engineering The Government engaged two contracting agencies in this project, viz, The Hindustan Construction Co Ltd, to work from the left bank and the National Projects Construction Co (a Government of India Undertaking) to work from the right bank Though the National Projects Construction Co., started the work one year in advance, the progress made by the Hindustan Construction Co Ltd is three times greater than was made by the National Projects Construction Co, proving thereby its superior resourcefulness, skill and determination

In the field of Docks and Harbours, the firm had constructed wharves and jetties at Visakhapatnam, Coconada, Chittagong, etc Now the firm is engaged in the construction of Haldia Dock Project (East Coast) which is again a highly complicated technical work

In the field of bridge-building, latest techniques are employed and the firm is undertaking bridges in steel, reinforced concrete and prestressed concrete The famous bridges over the Ganga, the

Brahmaputra, the Mahanadi and the Rupnarayan are among the major bridges constructed by the firm in recent years The firm has built over 200 bridges during the last 20 years

In the field of tunnelling, many tunnels are constructed for Hydro-Electric as well as irrigation schemes requiring great skill and highly mechanised equipment At present the firm is engaged in the tunnel work under the beds of the Malaprabha, the Sileru and the Yamuna Under the bed of the Yamuna, tunnels are to be driven in peculiar type of stratified loose rock and the work is the most difficult type of tunnelling ever carried out in the world. Actually, the stratified rock is being prestressed by providing and stressing high tensile cables and the excavated tunnel cut is stabilized by shortcreting The firm is now using the most modern equipment for tunnelling

In the field of Public Health Engineering, the firm is supplying sewage disposal and water purification plants under Dorr-Oliver licence. While in the initial stages equipment for a couple of works was imported, now the entire plants are manufactured by the firm itself.

In the field of power houses, the firm constructed many thermal power houses including one at Satpura At present the firm is engaged in constructing the Atomic Power Project at Kotah The work of the first stage is already completed The quality of workmanship and accuracy demanded by Canadian Consulting Engineers at this Project were of the highest type and the firm was able to satisfy them as well as the Atomic Energy Commission with the result that the second stage work was awarded to the firm only by negotiations

The firm had been importing construction plant and equipment from abroad but due to foreign exchange stringency, the firm had to manufacture its own plant and equipment Now the firm is making concrete mixers, vibrators, grabs, 10-ton capacity Derrick Cranes, batching plants, well-point equipment, cement carriers, etc, with a view to achieving self-sufficiency

The Company had also undertaken a specialised job of laying of seven 12,600 feet long submarine pipe line, which lies 10 feet below the bed of the sea, between the Butcher Island and Pirpau (Trombay) and successfully completed it expeditiously It is intended to carry oil from the incoming tankers to the refineries directly

The total cost of work executed so far by the firm would amount

to about Rs. 300 crores, out of which work worth Rs. 250 crores has been executed during the post-war period.

Acrow India Ltd. :

Acrow India Ltd., is a collaboration of the Hindustan Construction Co. Ltd., with Acrow (Engineers) Ltd., London The Company manufactures standard and special "Acrow" steel formwork items in standard ranges which include wall-forms, floor-forms, floor-centres, lightweight Acrowpans, adjustable column forms, column and beam clamps. Special formwork items include block moulds, mobile telescopic tunnel formwork and collapsible shuttering for precast girders for bridges, etc

Scaffolding items include tubular all-purpose scaffold units scaffold fittings, trestles, and heavy duty Shorload frames

Vikhroli Metal Fabricators Ltd. :

A fully-owned subsidiary of the Premier Construction Co Ltd, it has taken over the structural fabrication activities of Hindustan Construction Co Ltd, at Vikhroli, Bombay

The Company has a shop capacity of 500 tons per month and is specialised in design, fabrication and erection of light, medium medium-heavy structural steelworks for factories and industrial buildings, conveyor bridges, chimneys, bunkers, tanks, launching girders, pipes, pressure vessels, storage tanks and tubular structures

The Company manufactures "Door Oliver" water-treatment and sewage treatment plants also for public health engineering departments.

The Indian Hume Pipe Co Ltd. :

This company, with its know-how, experience and tradition of service is today playing a vital part in the country's development plans Today it is a pioneer in the fabrication of penstocks The Company's prestressed concrete pipes and poles are very popular and in great demand Between the years 1959 and 1965, the company received contracts for supply and laying of prestressed concrete pipes for city water supply schemes at Jamnagar, Rajkot and Bhavnagar in Gujarat; for the Manjira River Water Supply Schemes in Andhra Pradesh; for the Tatipudi Water Supply Scheme for the town of Visakhapatnam; for the Jhansi Babina Water Supply Scheme in U P, and for the Porbandar Water Supply Scheme and the Talcher Thermal Project at Talcher in Orissa The company has to supply

over 55,000 prestressed concrete poles to the Maharashtra State Electricity Board.

The Company has recently started manufacturing new kind of pipes, known as 'No-Joint' Concrete Pipes The inventors of the process of these pipes are No-Joint Concrete Pipe Company, Yuba City, California, U.S A. The process has been patented all over the world by this Company The Indian Hume Pipe Co, Ltd, is the sole patent holder for this Process and Pipe in India

NO-JOINT concrete pipe is cast-in-place and features an Arch-Design, jointless construction and a near perfect bond with the bottom and supporting side walls of the trench Its maintenance cost is practically nil

This process invented by the above American company some years ago has been working in U S A very satisfactorily and has been extensively used for the construction of storm water drains, sanitary sewers, culverts, irrigation lines, etc By the use of this method the cost of construction has been reduced by at least twenty-five per cent. This is a very large saving in construction cost in a developing country like India

"With the development of a machine made product, such as produced by the No-Joint process, where scientific methods can be employed in mix design, concrete control and effective concrete consolidation, many cities and flood control districts throughout the Western United States, as well as several foreign countries have become interested in No-Joint Concrete Pipe Today such installations have been made in the States of Arizona, California, Colorado, Hawaii, Kansas, Missouri, Montana, Nebraska, New Mexico, and in the Union of South Africa Such installations are effecting substantial savings in cost over conventional pre-cast reinforced concrete pipe construction"

Bahubali Gulabchand, the nephew of Walchand Hirachand and one of the present Directors of Indian Hume Pipe Company, while on a round-the-world business tour in 1963, visited the No-Joint Concrete Pipe Company of Yuba City, in California. For some time past, the Indian Hume Pipe Company had started negotiations with this American Company for purchase of their Indian Patent Rights (dated August 8, 1955; date of seal, February 20, 1957) for manufacture of Cast-In-Situ concrete pipe lines He finalised the negotiations and entered into agreement with the No-Joint Pipe Company on October 4, 1963.

After some time, Bahubali Gulabchand, in Company with Gilbert

D. Williamson, President and Charles T. McNeil, General Manager of the No-Joint Pipe Company visited the firm's plant in Escalon

The Indian Hume Pipe Company made a start in manufacturing the No-Joint Concrete pipe with a small contract from the Raymond Woollen Mills at Thana This followed a very encouraging order from the Delhi Municipal Corporation in 1967. The Bombay Municipal Corporation has also proposed to use No-Joint Pipes instead of the conventional R C C pipes The Company has already tendered for 72" line for the Bombay Municipal Corporation which intends to replace the 72" masonry Duct line in Ghatkopar area built in 1887. Enquiries for No-Joint Pipes are received from other parties also

In 1963, Bahubali Gulabchand, while on the business tour stopped for some time in Beirut and Benghazi to study the possibilities of exporting the Indian Hume Pipe products and establishing a new factory in Libya

Libya is a fast developing country and in recent years struck oil in large quantities , as a result a lot of town development schemes are coming up there and the demand for concrete sewer pipes is expected to be large Looking to these prospects, the Indian Hume Pipe Company erected a plant at Benghazi in Libya and is in regular production since March, 1966 Here, various IHP pipe products are manufactured to provide for Libya's irrigation projects, City Water Supply and Sewerage schemes, Storm Water drains, etc One hundred kilometres of pipes per year—worth £150,000 in foreign exchange saved for Libya—will be produced

The Company has very recently started manufacturing Monoblock Concrete Sleepers Even though they had not manufactured Pre-stressed Concrete Sleepers so far, they had gained considerable know-how required for the same through their experience of manufacture of Pre-stressed Concrete Poles over past ten years Taking this experience into consideration, the Railway Board has accepted their tender for manufacture and supply of 1,00,000 Concrete Sleepers of the value of Rs 66 lakhs The Company has started now civil work and erection of machinery at their Karari factory, from where the supply will be made.

The total number of Company's factories has gone now upto 60 including 2 factories in Ceylon and one in Libya

Cooper Engineering Ltd :

Since last six years it has expanded its machine tools manufac-

turing activity. It opened a new factory at Chinchwad, near Poona, in 1961. It manufactures a wide range of precision machine tools of varying sizes and complexities It has been made a full-fledged division of the Company—The Machine Tools Division—with its own complement of independent administrative and technical staff

The sixties have been witnessing the expansion of the Company's activities and the addition of new product lines

A collaboration agreement was made with Schiess A.G. of West Germany in 1961, for the manufacture of Vertical Turret Lathes in three sizes. The following year the Vertical High Speed 5 h p Engine and Pumpset, designed with the help of Ricardo & Co., was introduced It incorporates the latest "Comet V" combustion system

The manufacture of Automatic Looms was started in 1963, in collaboration with Draper Corporation of U S A, whose looms are world famous

Expansion plans were finalised in 1965 for building a new foundry at Satara, specially designed to produce upto 1,200 tons of castings a month Completely up-to-date in equipment and process, this foundry was to be built in two phases, a Heavy Unit for making castings heavier than one ton, and a Mechanised Unit for making smaller castings by mass production techniques The first phase was completed in 1966, and the Heavy Unit pressed into production

Two other collaboration agreements took place in 1966 technical collaboration, this time with Hermann Pfauter of West Germany for the manufacture of Gear Hobbing machines; and the complete re-designing of the old Shaping Machine and the creation of a series of new ones The latter incorporate the latest and most modern features available in such machines anywhere in the world They were designed solely by Indian engineers, without any foreign assistance, and have little or no imported components These mechanical Shapers, completely indigenous, stand up to the most stringent international standards

The year 1967 was marked by the production of the final prototypes of the newly designed shapers, and the taking of the first batch for regular manufacture Initially, the new Shaper will be made in only 630 mm. stroke size in both medium and heavy duties Shortly, other sizes also will be added

Cooper products are gradually securing good market outside India Presently, they are being exported to South-East Asia, U A.R, Africa, West Germany, France and East European countries

Coopers have ambitious plans for developing their exports

in the near future and necessary arrangements are being made to establish branch offices abroad Now that their manufacturing capacity has been increased the Coopers are thinking of chalking out plans to export their products to industrially developed countries like Canada, Australia, and the countries of West Europe

The Company is further expanding its manufacturing activities In this respect, the foundry expansion project has progressed well and it is expected that it will soon be completed As a result of this expansion, the present capacity of its Meehanite Foundry is expected to be doubled In the diesel engine manufacture, the Company is intending to considerably enlarge their production range by taking up manufacture of diesel engines of modern design

The Acme Manufacturing Co Ltd ·

Started originally as manufacturers of Hardware Fittings and Textile machinery, present manufacturing activities are as under

(1) Diesel Oil Engines
(2) Mechanical Lubricators.
(3) Vacuum Brake Piston Rods for Railways
(4) Automobile Components
(5) Valves for cars, commercial vehicles and stationary engines
(6) Machine Tools—AS-12" and AS-16" Shaping Machines
(7) CH/16 Slotting Machines

The Company has been granted licences by the Central Government to manufacture engine valves and various automobile components. The valve department has been put into commission without any foreign technical collaboration Initially the number of valves manufactured per month was 10,000 and with the subsequent progress achieved by the Company the level has been raised to 75,000 a month

These valves and auto parts are manufactured and supplied by the Company as original equipment to various Auto and Diesel Engine manufacturers such as Messrs Premier Automobiles Ltd Kurla, Bombay ; Messrs. Cooper Engineering Ltd , Satara Road , Messrs Kirloskar Oil Engines Ltd , Poona ; Messrs. Ruston and Hornsby (I) Ltd , Chinchwad and Messrs. Mahindra & Mahindra Ltd , Bombay ; thereby saving a lot of foreign exchange.

The Company started machine tools manufacturing with AS-12" shaping machine in the year 1963 and it has reached the maximum licenced capacity of 250 numbers per annum with a short period and without affecting other manufacturing activities.

Piston Rods are manufactured and supplied to all Indian Railways in terms of contracts placed with them by D. G. S & D, New Delhi.

At present, with every bright prospect, and demand for Acme Products such as Diesel Engines, Lubricators and Valves it is contemplating the expansion of its manufacturing programme

The Company has a well built factory equipped with all types of modern machines It has its own tool-room, where the jigs, fixtures and gauges are manufactured to their requirement Well trained and devoted engineers look after the production and quality

The Company has recently entered into technical collaboration with Messrs. Mitsubishi Heavy Industries Ltd, Tokyo, Japan Mitsubishi exports all types of engine valves to many countries Acme will now have the benefit of Mitsubishi, technical information, know-how and long experience as well as technical assistance, including the training of Acme engineers and technicians

Walchandnagar Industries Ltd

In 1963, the agricultural land in the possession of the Company was taken over by the Government of Maharashtra which gave it over to the Maharashtra State Farming Corporation Limited, as the result of the Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961, passed by it This situation rather compelled the management to switch over to a new industry With an indomitable will, determination and foresight its Chairman Gulabchand Hirachand decided to convert the farm-based Walchandnagar Industries into an engineering complex He started expanding its engineering division This new step taken by Gulabchand was also in conformity with the ambitions and plans of his elder brother Walchand too had his plans to widen his activities in the field of heavy industries In 1943 he had planned to start a big concern with an authorised capital of ten crores, under the name of 'Indian Engineering Industries', but the then British Government hampered it His ambition remained unfulfilled It was given to Gulabchand to fulfil it.

In 1966, Walchandnagar Industries entered into technical collaboration with Polysius GmbH of West Germany for the manufacture of complete cement plants and machinery The following year contracts were received for the supply of cement machinery worth Rs 1 36 crores to Cement Corporation of India The Company

also received an order for the supply of cement plant machinery worth about Rs 1.70 crores for Saurashtra Cement and Chemical Industries Ltd, at Ranwa, Porbander.

In 1964, Walchandnagar Industries became collaborators in India with Simmering-Graz-Pauker of Austria for manufacture of single and multistage turbines The same year it entered into a collaboration agreement with Escher-Wyss of Zurich for the manufacture of paper plants and ancillary equipment During the same year the Company started manufacturing pressure vessels and storage tanks required by the chemical, petro-chemical and pharmaceutical industries Recently it has started manufacturing medium and heavy industrial gears in collaboration with Maag Gear Wheel Co Ltd of Switzerland and Water Tube Boilers and Continuous Centrifugal Machines in collaboration with Hein Lehmann & Co of West Germany

Walchandnagar Industries, in real sense, has transformed itself into an industrial giant With its multi-faceted activities it is serving India's industrial resurgence

While Walchandnagar was passing through this great transformation it lost its architect, guide and preceptor, Gulabchand Hirachand, in 1967 He was the great intellectual and moral strength behind Walchandnagar Industries Under his stewardship and wise guidance Walchandnagar grew from a tiny hamlet into a huge industrial town within two decades

The Ravalgaon Sugar Farm Ltd

Along with manufacture of sugar and confectionery, today they manufacture confectionery machinery also They are manufacturing sugar graders, overflow valves for exhaust steam, juice stainers, pumps, etc. They have also started manufacturing complete plant of confectionery

The Premier Automobiles Ltd ·

The Company, from the very beginning, has been fortunate in having been associated with Chrysler Corporation, Rockwell-standard Corporation and Monroe Auto Equipment Company, all from the U S.A It had also collaboration with the Fiat of Italy, for their car manufacturing programme All these collaborations had been very useful to the Company In March 1962, it completed the production of one hundred thousand vehicles—the highest production among all the manufacturers in India

The Company received magnificent and sizeable assistance from the U S A through the Agency for International Development in the form of a loan for 10 2 million dollars This was a great help to the Company's expansion plans A major portion of this loan was utilised for the expansion of Premier's manufacturing activity through the establishment of a sheet metal project at Kalyan This sheet metal plant at Kalyan went into production in 1964. This huge 400-acre Kalyan Project is situated on Kalyan-Sheel Road, 4 miles from Bombay-Poona Road junction The Stamping Plant is one of the most modern plants in the country This Plant at Kalyan has made considerable progress in the production of sheet metal components All the dies, jigs and other toolings which could not be imported due to limited availability of foreign exchange, are designed and fabricated at this Kalyan plant This enabled the Company to complete the sheet metal Manufacturing Programme whereby all the body panel components for the Fiat car are now being produced at the Kalyan plant This achievement has saved a substantial amount of foreign exchange for the country

The Premier Company has undertaken a designing and manufacturing programme for fabrication of dies required for a new type of Front End Sheet Metal and Cabs for commercial vehicles Besides, the Company has recently introduced a new 7½ ton commercial vehicle with 120 BHP P6-354 Perkins Engine, manufactured by Messrs Simpson & Co Ltd

Trucks and Fiat cars manufactured by the Premier Company, have now an indigenous content of 99 06 per cent With the progress of the Kalyan plant, it will be shortly cent per cent indigenous

The production of Fiat cars has been stepped up to an average level of 1,000 cars per mensem

Bombay Cycle and Motor Agency Ltd

They are dealers in Fiat cars, Dodge cars, Trucks, Medows and Perkins Diesel Engines and spare parts and accessories thereof and distributors of AIRTEMP & PREMIER Room Air Conditioners as well as Fritz Filters.

The Company maintains workshops for repairing and servicing these products.

In 1962-63, a new service station was set up to cater to the service requirements of customers and an automobile workshop was opened at Worli for the repairs and servicing of vehicles In 1964-65, a new

multi-storeyed service station, off Haines Road, Bombay, was constructed.

Premier Auto Electric Ltd. ·

It is a subsidiary of the Premier Automobiles Ltd The objective of this Company is to specialise in the sales and service of the electrical and fuel injection equipment of automobiles Being specialised in the electrical field, its latest testing equipment, which has been installed will make scientifically accurate diagnosis possible, avoiding all guess work This service not only ensures proper maintenance of any automobile but also saves foreign exchange, since many electrical units which would otherwise be discarded are repaired and made serviceable

The Company is constantly seeking to expand the range of its products, and has recently finalised arrangements for obtaining sealed Beams from JMA Industries Private Ltd, under the PRAKASH trade mark Negotiations are also progressing with other prominent manufacturers of automobile ancillary items With the addition of these new lines, the Company hopes to substantially increase its turnover.

Pal Hire Purchase Limited

This is a subsidiary Company of Premier Automobiles Ltd, to provide finance for hire-purchase of Dodge-Fargo commercial vehicles The Company was started in early 1962 and operates on an All-India basis by accepting hire-purchase proposals from the dealers of the parent Company

Walchand Group Industries has been fighting against a set-back resulting from the recessionary condition that has persisted in the engineering industry for the last three years With reoriented planning strategy and full faith in their capability, they are confident that they will emerge successfully from it The industrialization programme, which they are struggling hard to carry out to success is sure to help solidly the nation's developing economy.

INDEX